UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 001-40509

BROOKFIELD WEALTH SOLUTIONS LTD.

(Exact name of Registrant as specified in its charter)

Bermuda

(Jurisdiction of incorporation or organization)

Ideation House, First Floor
94 Pitts Bay Road
Pembroke, HM08
Bermuda
+1 (441) 405-7811

(Address of principal executive offices)

Seamus MacLoughlin
Ideation House, First Floor
94 Pitts Bay Road
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Bermuda
+1 (441) 405-7811
bnt.enquiries@brookfield.com

(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Class	Trading Symbol(s)	Name of each exchange on which registered
Class A Exchangeable Limited Voting Shares	BNT	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

65,307,416 Class A Exchangeable Limited Voting Shares, 36,000 Class B Limited Voting Shares, 272,687,160 Class C Non-Voting Shares, as of December 31, 2025

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **Yes** ☐ **No** ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. **Yes** ☐ **No** ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definitions of "accelerated filer", "large accelerated filer", and "emerging growth company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☒ **Accelerated filer** ☐ **Non-accelerated Filer** ☐
Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ **International Financial Reporting Standards as issued by the International Accounting Standards Board** ☐ **Other** ☐

If "Other" has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow. **Item 17** ☐ **Item 18** ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** ☐ **No** ☒

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INTRODUCTION AND USE OF CERTAIN TERMS

Unless otherwise specified, information provided in this annual report on Form 20-F (this "**Form 20-F**") is as of December 31, 2025. Unless the context requires otherwise, when used in this Form 20-F, the terms "**we**", "**us**", "**our**", or the "**company**" means Brookfield Wealth Solutions Ltd. together with all of its subsidiaries and the term "**Brookfield**" means Brookfield Corporation, its subsidiaries and controlled companies, including, unless the context otherwise requires, Brookfield Asset Management Ltd. and any investment fund sponsored, managed or controlled by Brookfield Corporation or its subsidiaries, and does not, for greater certainty, include us or Brookfield Oaktree Holdings, LLC and Oaktree Capital Holdings, LLC and their respective subsidiaries.

Unless otherwise noted or the context suggests otherwise, references to:

"**2024 AGM**" means the company's annual general and special meeting of shareholders held on July 22, 2024;

"**Additional Brookfield Class A Shares**" means the issuance of Brookfield Class A Shares issuable on exchange of recirculated exchangeable shares;

"**Administration Agreement**" means the second amended and restated administration agreement between our company and Brookfield Corporation dated October 29, 2024;

"**Administration Agreement Amendment**" means the second amended and restated Administration Agreement between our company and Brookfield Corporation, dated October 29, 2024;

"**AEL**" means AEL Holdings and its subsidiaries, as applicable;

"**AEL Acquisition**" means the acquisition of AEL Holdings at $55.00 per AEL Holding share for total consideration of approximately $4.3 billion, completed on May 2, 2024;

"**AEL Holdings**" means American Equity Investment Life Holding Company;

"**ANGI**" means American National Group Inc. and its subsidiaries;

"**Asset Management Company**" means Brookfield Asset Management ULC, which is wholly-owned, directly and indirectly, by BAM;

"**Audit Committee**" means the audit committee of our Board;

"**Awards**" means the cash payments or equity awards granted or paid to an executive officer under the terms of any of our company's incentive compensation or short- or long-term incentive plans;

"**BAC Canada**" means Blumont Annuity Company (formerly known as Brookfield Annuity Company);

"**BAC UK**" means Blumont Annuity Company UK Ltd;

"**BAM**" means Brookfield Asset Management Ltd.;

"**BAM Shares**" means the class A limited voting shares of BAM;

"**BEAT**" has the meaning ascribed thereto under Item 3.D "*Risk Factors — U.S. Tax Risks — Recent changes in U.S. federal income tax law may significantly increase the tax liability of our U.S. subsidiaries*";

"**BEPS**" means base erosion and profit shifting;

"**Bermuda Act**" means the *Companies Act 1981* of Bermuda, as amended;

"**Bermuda BOA**" means the *Beneficial Ownership Act 2025* of Bermuda, as amended;

"**Bermuda Constituent Entity**" has the meaning ascribed thereto in the Bermuda Tax Act;

"**Bermuda Constituent Entity Group**" has the meaning ascribed thereto in the Bermuda Tax Act;

"**Bermuda Entities**" means our company and its Bermuda-based direct and indirect subsidiaries;

"**Bermuda ESA**" means the *Economic Substance Act 2018* of Bermuda, as amended;

"**Bermuda Forum Provision**" has the meaning ascribed thereto under Item 3.D "*Risk Factors — Risks Relating to the Exchangeable Shares — Our bye-laws designate specific courts in Bermuda as the exclusive forum for certain litigation that may be initiated by our shareholders, which could limit our shareholders' ability to obtain a desired judicial forum for disputes with us*";

"**Bermuda Insurance Act**" means the *Insurance Act 1978* of Bermuda and related rules and regulations, as amended;

"**Bermuda Tax Act**" means the *Corporate Income Tax Act 2023* of Bermuda, as amended;

"**Bermuda-U.S. Treaty**" means the income tax treaty between Bermuda and the United States;

"**BMA**" means Bermuda Monetary Authority;

"**BNT Trust**" means BNT Partners Trust;

"**Board**" means the board of directors of our company;

"**Brookfield**" means Brookfield Corporation, its subsidiaries and controlled companies, including, unless the context otherwise requires, BAM, and any investment fund sponsored, managed or controlled by Brookfield Corporation or its subsidiaries, and does not, for greater certainty, include us or Brookfield Oaktree Holdings, LLC and Oaktree Capital Holdings, LLC and their respective subsidiaries;

"**Brookfield Account**" has the meaning ascribed thereto under Item 7.B "*Related Party Transactions — Conflicts of Interest*";

"**Brookfield's Annual Report**" means the annual reports of Brookfield Corporation on Form 40-F that are filed from time to time, including the annual report for the fiscal year ended December 31, 2025, which includes Brookfield Corporation's (a) audited consolidated statements of financial position as of and for each of the two years in the period ended December 31, 2025 and 2024, together with the report thereon of the independent registered public accounting firm and management's discussion and analysis as of December 31, 2025 and 2024 and for each of the two years in the period ended December 31, 2025 and 2024 and (b) annual information form for the year ended December 31, 2025, dated March 17, 2026;

"**Brookfield Arrangement**" means the court approved plan of arrangement of Brookfield Corporation as a result of which (i) BAM acquired a 25% ownership interest in the Asset Management Company, (ii) the shareholders of Brookfield Corporation became shareholders of BAM while retaining their shares of Brookfield Corporation and (iii) Brookfield Asset Management Inc. changed its name to "Brookfield Corporation."

"**Brookfield Class A Shares**" means the Class A limited voting shares of Brookfield Corporation;

"**Brookfield Class B Shares**" means the Class B limited voting shares of Brookfield Corporation;

"**Brookfield Credit Agreement**" or "**Credit Agreement**" means the credit agreement between our company and Brookfield, as lender, dated June 28, 2021;

"**BSCR**" means the Bermuda solvency capital requirement as prescribed by the Bermuda Insurance Act;

"**BWS Escrowed Shares**" means the non-voting common shares of one or more escrowed companies that may be issued under the BWS Escrowed Stock Plan;

"**BWS Escrowed Stock Plan**" means our company's escrowed stock plan;

"**BWS Restricted Shares**" means the class A exchangeable shares that may be issued under the BWS Restricted Stock Plan;

"**BWS Restricted Stock Plan**" means our company's restricted stock plan;

"**bye-laws**" means the bye-laws of our company, as amended and adopted by our shareholders;

"**CAMT**" has the meaning ascribed thereto under Item 3.D "*Risk Factors — U.S. Tax Risks — Recent changes in U.S. federal income tax law may significantly increase the tax liability of our U.S. subsidiaries"*;

"**Cayman BOTA**" means the *Beneficial Ownership Transparency Act* (as amended) of the Cayman Islands with the regulations issued thereunder;

"**Cayman ESA**" means the *International Tax Co-Operation (Economic Substance) Act* (as revised) of the Cayman Islands, as amended together with the regulations issued thereunder;

"**Cayman Insurance Act**" means the *Insurance Act, 2010*, as amended;

"**CCPA**" means the *California Consumer Privacy Act of 2018*;

"**Chair**" means the chairperson of the Board;

"**CIMA**" means the Cayman Islands Monetary Authority;

"**CISO**" means the Chief Information Security Officer of Brookfield;

"**CISSA**" means a commercial insurer's solvency self-assessment;

"**class A exchangeable shares**" means our class A exchangeable limited voting shares;

"**class A-1 exchangeable shares**" means our class A-1 exchangeable non-voting shares;

"**Class A Junior Preferred Shares**" means Class A Junior Preferred Shares, Series 1 and Class A Junior Preferred Shares, Series 2 in the capital of our company;

"**class B shares**" means our class B limited voting shares;

"**class C shares**" means our class C non-voting shares;

"**Clearbrook**" means Clearbrook Group Holdings Inc., formerly known as Argo Group International Holdings, Inc.;

"**Clearbrook Acquisition**" means the acquisition of Clearbrook by our company at a price of $30 per share, for total consideration of approximately $1.1 billion, completed November 16, 2023;

"**Code**" or "**U.S. Internal Revenue Code**" means the *U.S. Internal Revenue Code of 1986*, as amended;

"**Committees**" means the Audit Committee, Governance and Nominating Committee and Compensation Committee;

"**Compensation Committee**" means the compensation committee of our Board;

"**Consumer Duty**" means the enhanced conduct-of-business regime introduced by the U.K. Financial Conduct Authority requiring firms to deliver good outcomes for retail customers;

"**Convention**" means the *Canada-United States Income Tax Convention (1980)*, as amended;

"**Conversion Blackout Period**" has the meaning ascribed thereto under Item 10.B "*Memorandum and Articles of Association — Class A Exchangeable Shares and Class A-1 Exchangeable Shares — Conversion Right of Holders of Class A-1 Exchangeable Shares*";

"**Conversion Notice**" has the meaning ascribed thereto under Item 10.B "*Memorandum and Articles of Association — Class A Exchangeable Shares and Class A-1 Exchangeable Shares — Conversion Right of Holders of Class A-1 Exchangeable Shares*";

"**Conversion Notice Date**" has the meaning ascribed thereto under Item 10.B "*Memorandum and Articles of Association — Class A Exchangeable Shares and Class A-1 Exchangeable Shares — Conversion Right of Holders of Class A-1 Exchangeable Shares*";

"**Conversion Right**" has the meaning ascribed thereto under Item 10.B "*Memorandum and Articles of Association — Class A Exchangeable Shares and Class A-1 Exchangeable Shares — Conversion Right of Holders of Class A-1 Exchangeable Shares*";

"**CPPA**" means California Privacy Protection Agency;

"**CRA**" means the Canada Revenue Agency;

"**Cyber Code**" means the Insurance Sector Operational Cyber Risk Management Code of Conduct;

"**Dodd-Frank**" means the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (United States);

"**DOE**" means Distributable Operating Earnings;

"**DSU**" means deferred share unit;

"**DSUP**" means Brookfield's deferred share unit plans;

"**DTA**" means deferred tax asset;

"**DTC**" means the Depository Trust Company;

"**EBS Framework**" means economic balance sheet framework;

"**ECR**" means the enhanced capital requirement as prescribed by the *Bermuda Insurance Act;*

"**EDGAR**" means the Electronic Data Gathering, Analysis, and Retrieval system at www.sec.gov;

"**EISP**" means the Enterprise Information Security Policy established by Brookfield;

"**Equity Commitment**" has the meaning ascribed thereto under Item 10.C "*Material Contracts — Equity Commitment*";

"**Equity Commitment Agreement**" means the equity commitment agreement dated June 28, 2021 between Brookfield and our company;

"**Exchange Act**" means the *United States Securities Exchange Act of 1934,* as amended, and the rules and regulations promulgated from time to time thereunder;

"**exchangeable distribution**" has the meaning ascribed thereto under Item 10.B "*Memorandum and Articles of Association — Class A Exchangeable Shares and Class A-1 Exchangeable Shares — Distributions*";

"**exchangeable shares**" means the class A exchangeable shares and/or the class A-1 exchangeable shares, as applicable;

"**Exchange Offer**" means the offer dated October 11, 2023 by our company to holders of Brookfield Class A Shares to exchange up to 40,000,000 Brookfield Class A Shares for up to 40,000,000 newly-issued class A-1 exchangeable shares on a one-for-one basis;

"**FATCA**" means the *Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act of 2010;*

"**FCA**" means the Financial Conduct Authority;

"**FCRA**" means the *Fair Credit Reporting Act* (United States);

"**FHSA**" means first home savings account;

"**FINRA**" means the Financial Industry Regulatory Authority;

"**Form 20-F**" means this annual report on the Form 20-F;

"**FSMA**" means the *Financial Services and Markets Act 2000*;

"**Funded Reinsurance**" or "**FundedRe**" means the reinsurance arrangements that combine longevity risk transfer with collateralized funding structures used by U.K. insurers as a balance sheet management tool;

"**GDPR**" means the European Union's General Data Protection Regulation;

"**GLB**" means the *Gramm-Leach-Bliley Act* (United States);

"**Governance and Nominating Committee**" means the governance and nominating committee of our Board;

"**Healthcare Act**" means the *Patient Protection and Affordable Care Act of 2010* (United States);

"**HIPAA**" means the *Health Insurance Portability and Accountability Act* (United States);

"**Holder**" has the meaning ascribed thereto under Item 10.E "*Taxation — Certain Material Canadian Federal Income Tax Considerations*";

"**ICA**" means the *Insurance Companies Act* (Canada);

"**IFRS Accounting Standards**" means IFRS Accounting Standards as issued by the International Accounting Standards Board;

"**IMO**" means an independent marketing organization;

"**Inflation Reduction Act**" means the *Inflation Reduction Act of 2022*;

"**Insurance Code**" means the Bermuda Insurance Code of Conduct, as amended;

"**Investment Assets**" has the meaning ascribed thereto under Item 10.E "*Taxation — Offshore Investment Fund Property*";

"**Investment Company Act**" means the *Investment Company Act of 1940* (United States);

"**Investment Management Agreements**" has the meaning ascribed thereto under Item 10.C "*Material Contracts — Investment Management Agreements*";

"**IRS**" means the U.S. Internal Revenue Service;

"**Junior Preferred Shares**" means the Class A Junior Preferred Shares and the Class B Junior Preferred Shares in the capital of our company;

"**Just Acquisition**" means the proposed acquisition of Just Group at 220 pence per Just Group share for total consideration of approximately £2.4 billion;

"**Just Group**" means Just Group plc;

"**Licensing Agreement**" means the trademark sublicense agreement dated June 28, 2021 between our company and Brookfield;

"**Matching Adjustment**" means the adjustment permitted under Solvency UK that allows eligible U.K. insurers writing long-term annuity business to recognize an illiquidity premium in asset yields for regulatory capital purposes, subject to regulatory approval;

"**MSM**" means minimum margin of solvency as prescribed pursuant to the *Bermuda Insurance Act*;

"**MYGA**" means multi-year guaranteed products;

"**NAIC**" means the National Association of Insurance Commissioners;

"**NEOs**" means the named executive officers of our company;

"**NER Ltd.**" means North End Re Ltd., a Bermuda exempted company registered as a Class E insurer under the Bermuda Insurance Act;

"**NER SPC**" means North End Re (Cayman) SPC, a Cayman Islands exempted company registered as a segregated portfolio company;

"**Non-Resident Holder**" has the meaning ascribed thereto under Item 10.E "*Taxation — Certain Material Canadian Federal Income Tax Considerations — Taxation of Holders not Resident in Canada*";

"**North End Re**" means, collectively, NER Ltd. and NER SPC;

"**NYDFS**" means the New York Department of Financial Services;

"**NYSE**" means the New York Stock Exchange;

"**OBBBA**" means the *One Big Beautiful Bill Act of 2025*;

"**OBCA**" means the *Business Corporations Act* (Ontario);

"**OECD**" means the Organisation for Economic Co-operation and Development;

"**OFAC**" means the Office of Foreign Assets Control;

"**OIFP Rules**" means the "offshore investment fund property rules" in the *Tax Act*;

"**ORSA**" means an own risk and solvency assessment;

“**ORSA Report**” has the meaning ascribed thereto under Item 4.B “*Business Overview — Regulatory Framework — United States — Risk Management and ORSA*”;

“**OSFI**” means The Office of the Superintendent of Financial Institutions (Canada);

“**Partner**” has the meaning ascribed thereto under Item 3.D “*Risk Factors — Risks Relating to Our Relationship with Brookfield — Individuals who are members of the Partnership and also executives of Brookfield will exercise influence over our company and over any decisions requiring shareholder approval*”;

“**Partnership**” has the meaning ascribed thereto under Item 3.D “*Risk Factors — Risks Relating to Our Relationship with Brookfield — Individuals who are members of the Partnership and also executives of Brookfield will exercise influence over our company and over any decisions requiring shareholder approval*”;

“**P&C**” has the meaning ascribed thereto under Item 4.B “*Business Overview*”;

“**PFIC**” has the meaning ascribed thereto under Item 3.D “*Risk Factors — U.S. Tax Risks — If our company is classified as a passive foreign investment company, U.S. persons who own exchangeable shares could be subject to adverse U.S. federal income tax consequences*”;

“**Preferred Shares**” means collectively, the Junior Preferred Shares and the Senior Preferred Shares;

“**PRA**” means the Prudential Regulation Authority;

“**PRT**” means pension risk transfer;

“**PVII**” means Partners Value Investments Inc.;

“**QEF Election**” has the meaning set forth under Item 10.E “*Taxation — Certain Material United States Federal Income Tax Considerations — Taxation of U.S. Holders — Ownership and Disposition of Exchangeable Shares — Passive Foreign Investment Company Considerations*”;

“**RBC**” means Risk Based Capital, a formula for analyzing capital levels of insurance companies;

“**RDSP**” means registered disability savings plan;

“**recirculated exchangeable shares**” means the exchangeable shares to be transferred pursuant to an exercise of the Recirculation Right;

“**Recirculation Right**” means the right of Brookfield to transfer exchangeable shares acquired by Brookfield upon an exchange of exchangeable shares;

“**Registered Plans**” means, collectively, RRSPs, RRIFs, RESPs, RDSPs, TFSAs and FHSAs;

“**Regulatory Condition**” has the meaning ascribed thereto under Item 10.B “*Memorandum and Articles of Association — Class A Exchangeable Shares and Class A-1 Exchangeable Shares — Conversion Right of Holders of Class A-1 Exchangeable Shares*”;

“**Resident Holder**” has the meaning ascribed thereto under Item 10.E “*Taxation — Taxation of Holders Resident in Canada*”;

“**RESP**” means registered education savings plan;

“**Rights Agreement**” means the Amended and Restated Rights Agreement dated March 21, 2023 between the rights agent thereunder, our company and Brookfield;

“**RPII**” has the meaning ascribed thereto under Item 3.D “*Risk Factors — Risks Relating to Taxation — U.S. Tax Risks — If any of our non-U.S. subsidiaries is determined to have related person insurance income, U.S. persons who own exchangeable shares may be subject to U.S. federal income taxation on their pro rata share of such income*”;

“**RPII CFC**” has the meaning ascribed thereto under Item 3.D “*Risk Factors — Risks Relating to Taxation — U.S. Tax Risks — If any of our non-U.S. subsidiaries is determined to have related person insurance income, U.S. persons who own exchangeable shares may be subject to U.S. federal income taxation on their pro rata share of such income*”;

“**RRIF**” means registered retirement income fund;

"**RRSP**" means registered retirement savings plan;

"**S&P 500**" means the Standard & Poor's 500 Index;

"**Sarbanes-Oxley Act**" means the *Sarbanes-Oxley Act of 2002* (United States), as amended;

"**SEC**" means the U.S. Securities and Exchange Commission;

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval at www.sedarplus.ca;

"**Senior Preferred Shares**" means the class A senior preferred shares and the class B senior preferred shares in the capital of the company;

"**SOFR**" means the Secured Overnight Financing Rate;

"**Solvency Capital Requirement**" or "**SCR**" means the level of regulatory capital a U.K. insurer must maintain under Solvency UK to withstand severe stress scenarios;

"**Solvency UK**" means the United Kingdom's risk-based prudential regulatory regime applicable to U.K.-authorized insurance and reinsurance undertakings, administered by the Prudential Regulation Authority, which establishes capital, governance and supervisory requirements for insurers and replaced the EU Solvency II regime in the United Kingdom;

"**SPDA**" means single premium deferred annuity;

"**Special Distribution**" means the special distribution of BAM Shares to the holders of our company's class A exchangeable shares and class B shares completed by our company in connection with the Brookfield Arrangement;

"**Support Agreement**" means the support agreement between our company and Brookfield Corporation dated June 28, 2021, as amended and restated on March 21, 2023 and October 29, 2024;

"***Tax Act***" means the *Income Tax Act* (Canada);

"***Tax Cuts and Jobs Act***" means the *Tax Cuts and Jobs Act* of 2017;

"**TFSA**" means tax-free savings account;

"**Treasury Regulations**" means the U.S. Treasury Regulations promulgated under the Code;

"**TSX**" means the Toronto Stock Exchange;

"**U.K.**" means the United Kingdom;

"**U.S.**" means the United States of America;

"**U.S. Federal Forum Provision**" means the provision in our bye-laws that unless we consent in writing to the selection of an alternative forum, the federal courts of the United States shall be the sole and exclusive forum for resolving any complaint filed in the United States asserting a cause of action arising under the U.S. Securities Act;

"**U.S. GAAP**" means U.S. generally accepted accounting principles;

"**U.S. Holder**" has the meaning ascribed thereto under Item 10.E "*Taxation — Certain Material United States Federal Income Tax Considerations*"; and

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated from time to time thereunder.

FORWARD-LOOKING STATEMENTS

This Form 20-F contains "forward-looking information" within the meaning of applicable securities law, including but not limited to, Canadian provincial securities laws and "forward-looking statements" within the meaning of the U.S. Securities Act of 1933, the U.S. Securities Exchange Act of 1934, "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and any applicable Canadian securities regulations (collectively, "forward-looking statements"). Forward-looking information includes statements relating to the company and Brookfield that are predictive in nature and depend upon or refer to future results, events or conditions, and includes, but is not limited to, statements which reflect management's current estimates, beliefs and assumptions regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies, capital management and outlook of our company and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and which in turn are based on our experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. The estimates, beliefs and assumptions of our company are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may" and "should" and other similar expressions.

Although the company believes that such forward-looking statements are based on reasonable beliefs, estimates, assumptions and expectations of future performance, actual results may differ materially from the forward-looking statements. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Several factors, including those described in this Form 20-F under Item 3.D "*Risk Factors*", Item 4.B "*Business Overview*" and Item 5.A "*Operating Results*", among others, could cause our actual results to vary from our forward-looking statements.

Readers of this Form 20-F are cautioned that risk factors outlined in this Form 20-F are not exhaustive, and that other factors could also adversely affect future results. Readers are urged to consider these risks, as well as other uncertainties, factors and assumptions carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements, which are based only on information available to us as of the date of this Form 20-F. Except as required by law, our company undertakes no obligation to publicly update or revise any forward-looking statements, whether written or oral, that may be as a result of new information, future events or otherwise.

Certain of the information contained herein is based on or derived from information provided by independent third-party sources. While our company believes that such information is accurate as of the date it was produced and that the sources from which such information has been obtained are reliable, our company makes no representation or warranty, express or implied, with respect to the accuracy, reasonableness or completeness of any of the information or the assumptions on which such information is based, contained herein, including but not limited to, information obtained from third parties.

Each exchangeable share has been structured with the intention of providing an economic return equivalent to one Brookfield Class A Share due to each exchangeable share (i) being exchangeable at the option of the holder for one Brookfield Class A Share or its cash equivalent (the form of payment to be determined at the election of Brookfield Corporation), plus all unpaid distributions, if any, subject to certain limitations as more fully described in this Form 20-F, and (ii) receiving distributions at the same time and in the same amounts as dividends on the Brookfield Class A Shares. We therefore expect that the market price of the exchangeable shares should be impacted by the market price of Brookfield Class A Shares and the business performance of Brookfield Corporation as a whole. In addition to carefully considering the disclosure made in this Form 20-F, readers are urged to carefully consider the disclosure made by Brookfield Corporation in its continuous disclosure filings. Copies of Brookfield Corporation's continuous disclosure filings are available electronically on EDGAR on the SEC's website at www.sec.gov or on SEDAR+ at www.sedarplus.ca.

Historical Performance and Market Data

This Form 20-F contains information relating to our business as well as historical performance and market data. When considering this data, you should bear in mind that historical results and market data may not be indicative of the future results that you should expect from us.

Financial Information

The financial information contained in this Form 20-F is presented in U.S. dollars and, unless otherwise indicated, has been prepared in accordance with U.S. GAAP. All figures are unaudited unless otherwise indicated. In this Form 20-F, all references to "**$**" are to U.S. dollars. Canadian dollars are identified as "**C$**".

CAUTIONARY STATEMENT REGARDING THE USE OF NON-GAAP MEASURES

We prepare our financial statements in conformity with U.S. GAAP. This Form 20-F discloses a number of non-GAAP financial and supplemental financial measures which are utilized in monitoring our business, including for performance measurement, capital allocation and valuation purposes. We believe that providing these performance measures is helpful to investors in assessing the overall performance of our asset management business. These non-GAAP financial measures should not be considered as the sole measure of our business performance and should not be considered in isolation from, or as a substitute for, similar financial measures calculated in conformity with U.S. GAAP. Non-GAAP measures include Distributable Operating Earnings ("**DOE**"), adjusted equity, total corporate liquidity and total liquidity. These non-GAAP measures are not standardized financial measures and may not be comparable to similar financial measures used by other issuers. We believe these metrics are useful supplemental measures that may assist investors in assessing our financial performance.

DOE is a key measure of our financial performance. We use DOE to assess operating results and the performance of our businesses. We define DOE as net income after applicable taxes excluding the impact of depreciation and amortization, deferred income taxes related to basis and other changes, and breakage and transaction costs, as well as certain investment and insurance reserve gains and losses, including gains and losses related to asset and liability matching strategies, non-operating adjustments related to changes in cash flow assumptions for future policy benefits and change in market risk benefits, and is inclusive of returns on equity invested in certain variable interest entities and our share of adjusted earnings from our investments in certain associates. DOE is therefore unlikely to be comparable to similar measures presented by other issuers. We also make reference to adjusted equity. Adjusted equity represents the total economic equity of our company through its class A, B and C shares, excluding accumulated other comprehensive income. We use adjusted equity to assess our return on equity. Corporate liquidity is a measure of our liquidity position and includes cash and cash equivalents, undrawn revolving credit facilities and liquid financial assets held by non-regulated corporate entities. Total liquidity includes liquidity within our regulated insurance entities.

For further details regarding our use of these measures, see Item 5 "*Operating and Financial Review and Prospects*".

PART I

ITEM 1 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2 OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3 KEY INFORMATION

ITEM 3.A [RESERVED]

ITEM 3.B CAPITALIZATION AND INDEBTEDNESS

Not applicable.

ITEM 3.C REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

ITEM 3.D RISK FACTORS

The following summarizes some, but not all, of the risks provided below. Please carefully consider all of the information discussed in this Item 3.D "Risk Factors" in this Form 20-F for a more thorough description of these and other risks.

Risks Relating to the Exchangeable Shares

- Risks relating to the market price of, and distributions on, our exchangeable shares and Brookfield Class A Shares;
- Risks relating to the conversion, exchange and redemption rights of the exchangeable shares;
- Risks relating to voting rights attaching to the exchangeable shares;
- Risks relating to possible delisting of exchangeable shares;
- Risks relating to the possible issuance of additional securities in the future; and
- Risks relating to shareholder protections under Bermuda law.

Risks Relating to our Company

- Risks associated with our company being a "SEC foreign issuer" under Canadian securities regulations and a "foreign private issuer" under U.S. securities law;
- Risks relating to our company possibly becoming an investment company under U.S. securities law;
- Risks associated with the effectiveness of our company's internal controls;
- Risks relating to changes in accounting estimates, and assumptions; and
- Risks associated with service of process and enforcement of judgments.

Risks Relating to our Operating Subsidiaries and Industry

- Risks associated with our underwriting assumptions;
- Risks relating to distribution of our products;
- Risks relating to our reinsurance arrangements and counterparties thereto;
- Risks associated with a rating downgrade or the absence of a rating of any of our operating subsidiaries;
- Risks associated with the derivatives we use to hedge certain business risks;

- Risks relating to market conditions, competition and consolidation in the industry;
- Risks relating to the impact of technology on our business, confidential information and cybersecurity;
- Risks associated with raising additional capital or incurring additional indebtedness;
- Risks associated with identifying and executing on opportunities for future growth;
- Risks associated with loss resulting from fraud, bribery, corruption or other illegal acts; and
- Risks associated with disputes and possible litigation.

Risks Relating to our Acquisitions

- Risks relating to our ability to complete acquisitions and realize the anticipated benefits thereof.

Risks Relating to General Economic Conditions

- Risks relating to changes in interest rates, foreign exchange, inflation and credit spreads;
- Risks associated with access to debt or equity markets, our ability to access credit markets and changes in our credit rating;
- Risks relating to general economic, political conditions and markets in which our company operates; and
- Risks relating to catastrophic events, climate change, and increased regulation regarding climate change.

Risks Relating to our Investments

- Risks associated with our investment strategy;
- Risks associated with counterparty creditworthiness;
- Risks associated with our valuation of investments; and
- Risks relating to industry and sector concentration and certain asset classes.

Risks Relating to Regulation

- Risks associated with the insurance business being highly regulated;
- Risks relating to regulatory approvals, which may constrain our company's ability to complete acquisitions, dispositions and other transactions;
- Risks associated with our failure to obtain or maintain licenses and/or other regulatory approvals;
- Risks relating to capital ratios/calculations of our insurance subsidiaries;
- Risks relating to our employees in Bermuda and the Cayman Islands requiring work permits to run their reinsurance businesses in those jurisdictions; and
- Risks relating to changes to accounting rules.

Risks Relating to our Relationship with Brookfield

- Risks relating to individuals who are members of the Partnership and also executives of Brookfield;
- Risks relating to our dependence on and terms of arrangements with Brookfield; and
- Risks relating to leveraging Brookfield's investment management and asset allocation capabilities.

Risks Relating to Taxation

- Risks relating to our aggregate tax liability and effective tax rate being adversely affected in the future by changes in the tax laws of the countries in which we operate;

- Risks under Canadian and US federal income tax law relating to the exchange of exchangeable shares for Brookfield Class A Shares;
- Risks relating to Canadian federal income tax treatment of dividends received or deemed to be received by Resident Holders on the exchangeable shares;
- Risks relating to qualified investments for Registered Plans;
- Risks relating to U.S. federal income taxation, U.S. federal base erosion and anti-abuse tax;
- Risks relating to U.S. withholding tax under FATCA; and
- Risks relating to the treatment of exchangeable shares for U.S. federal income tax purposes.

You should carefully consider the following factors in addition to other information set forth in this Form 20-F. If any of the following risks were actually to occur, our business, financial condition and results of operations and the value of our exchangeable shares would likely suffer. Each exchangeable share has been structured with the intention of providing an economic return equivalent to one Brookfield Class A Share due to each exchangeable share (i) being exchangeable at the option of the holder for one Brookfield Class A Share or its cash equivalent (the form of payment to be determined at the election of Brookfield Corporation), plus all unpaid distributions, if any, subject to certain limitations as more fully described in this Form 20-F, and (ii) receiving distributions at the same time and in the same amounts as dividends on the Brookfield Class A Shares. We therefore expect that the market price of our exchangeable shares will be impacted by the market price of the Brookfield Class A Shares and the business performance of Brookfield Corporation. In addition to carefully considering the risk factors contained in this Form 20-F and described below, you should carefully consider the risk factors applicable to Brookfield Corporation included in its continuous disclosure documents. Copies of Brookfield Corporation's continuous disclosure filings are available electronically on EDGAR on the SEC's website at www.sec.gov or on SEDAR+ at www.sedarplus.ca.

Risks Relating to the Exchangeable Shares

The exchangeable shares have been structured with the intention of providing an economic return equivalent to one Brookfield Class A Share and therefore we expect that the market price of our exchangeable shares may be impacted by the market price of the Brookfield Class A Shares and the business performance of Brookfield Corporation.

Each exchangeable share has been structured with the intention of providing an economic return equivalent to one Brookfield Class A Share due to each exchangeable share (i) being exchangeable at the option of the holder for one Brookfield Class A Share (subject to adjustment to reflect certain capital events) or its cash equivalent (the form of payment to be determined at the election of Brookfield Corporation), plus all unpaid distributions, if any, subject to certain limitations as more fully described in this Form 20-F, and (ii) receiving distributions at the same time and in the same amounts as dividends on the Brookfield Class A Shares. As a result, the business operations of Brookfield Corporation, and the market price of the Brookfield Class A Shares, are expected to impact the market price of our exchangeable shares, which could be disproportionate in circumstances where the business operations and results of our company on a standalone basis are not indicative of such market trends. Holders of our exchangeable shares have no ability to control or influence the decisions or business of Brookfield Corporation. You should therefore carefully consider the risk factors applicable to Brookfield Corporation's business, and the risk factors applicable to an investment in Brookfield Class A Shares, as further described in Brookfield's Annual Report.

Although the exchangeable shares have been structured with the intention of providing an economic return that is equivalent to one Brookfield Class A Share, our exchangeable shares may not trade at the same price as the Brookfield Class A Shares.

Although each of our exchangeable shares is structured with the intention of providing an economic return that is equivalent to one Brookfield Class A Share, there can be no assurance that the market price of our exchangeable shares will be equal to the market price of a Brookfield Class A Share at any time. Factors that could cause differences in the market prices between exchangeable shares and Brookfield Class A Shares may include (and are not limited to):

- perception and/or recommendations by analysts, investors and/or other third parties that these securities should be priced differently; and
- actual or perceived differences in distributions to holders of exchangeable shares versus dividends to holders of the Brookfield Class A Shares, including as a result of any legal prohibitions.

Our company may redeem the exchangeable shares at any time without the consent of the exchangeable shareholders.

Our Board may, subject to applicable law and the prior written consent of the holder of the class C shares, at any time, and without the consent of holders of exchangeable shares, elect to redeem all of the outstanding exchangeable shares upon 60 days' prior written notice, including following the occurrence of any of the following redemption events: (i) the total number of class A exchangeable shares outstanding decreases by 50% or more over any six-month period; (ii) the daily market value of the outstanding class A exchangeable shares (based on the closing price on the NYSE on each trading day) (A) is less than $250 million for more than six consecutive months or (B) decreases by 50% or more from its high over any three-month period; (iii) a person acquires 90% of the Brookfield Class A Shares in a takeover bid (as defined by applicable securities law); (iv) shareholders of Brookfield Corporation approve an acquisition of Brookfield Corporation by way of arrangement, amalgamation or similar transaction; (v) shareholders of Brookfield Corporation approve a restructuring or other reorganization of Brookfield Corporation or a liquidation, dissolution, winding up or any other distribution of Brookfield Corporation's assets among its shareholders for the purpose of winding up its affairs is pending; (vi) there is a pending sale of all or substantially all of the assets of Brookfield Corporation; (vii) there is a change of law (whether by legislative, governmental or judicial action), administrative practice or interpretation, or a change in circumstances of our company and our shareholders, that may result in adverse tax consequences for our company or our shareholders; or (viii) our Board, in its sole discretion acting in good faith, concludes that the holders of exchangeable shares are adversely impacted by a fact, change or other circumstance relating to our company. In addition, Brookfield Corporation will have an overriding right, subject to receipt of any required regulatory approvals, to acquire all, but not less than all, of the exchangeable shares in the event our Board elects to redeem all of the then outstanding exchangeable shares. See Item 10.B *"Memorandum and Articles of Association – Redemption"*.

Holders of exchangeable shares do not have a right to elect whether to receive cash or Brookfield Class A Shares upon an exchange, liquidation or redemption event.

In the event that (i) there is a liquidation, dissolution or winding up of our company or any other distribution of our company's assets among our shareholders for the purpose of winding up our affairs, including whether substantially concurrent with a liquidation, dissolution, winding up or any other distribution of Brookfield Corporation's assets among its shareholders for the purpose of winding up its affairs, (ii) our company exercises its right to redeem (or cause the redemption of) all of the then outstanding exchangeable shares, or (iii) a holder of exchangeable shares requests an exchange of exchangeable shares, holders of exchangeable shares (in the case of (iii) above, only such holder(s) exercising their exchange rights) shall be entitled to receive one Brookfield Class A Share per exchangeable share held (subject to adjustment to reflect certain capital events and certain other payment obligations in the case of a liquidation, dissolution or winding up of our company) or its cash equivalent. The form of payment will be determined at the election of our company or Brookfield Corporation, as applicable, or by the liquidator in the case of liquidation, so a holder will not know whether cash or Brookfield Class A Shares will be delivered in connection with any of the events described above. See Item 10.B *"Memorandum and Articles of Association – Exchange by Holder"*.

Any holder requesting an exchange of their exchangeable shares may experience a delay in receiving such Brookfield Class A Shares or the cash equivalent.

Each exchangeable share is exchangeable with Brookfield Corporation at the option of the holder for one Brookfield Class A Share (subject to adjustment to reflect certain capital events and certain other payment obligations in the case of a liquidation, dissolution or winding up of our company) or its cash equivalent (the form of payment to be determined at the election of Brookfield Corporation), subject to certain limitations as described below. See Item 10.B "*Memorandum and Articles of Association – Exchange by Holder*". If cash is used to satisfy an exchange request, the amount payable per exchangeable share will be equal to the NYSE closing price of one Brookfield Class A Share on the date that the request for exchange is received by the transfer agent. As a result, any changes in the market price of the Brookfield Class A Shares after that date will not alter the amount of cash consideration received. By contrast, any holder whose exchangeable shares are exchanged for Brookfield Class A Shares will not receive such Brookfield Class A Shares for up to ten business days after the applicable request is received. During this period, the market price of Brookfield Class A Shares may decrease. Any such decrease would affect the value of the Brookfield Class A Share consideration to be received by the holder of exchangeable shares on the effective date of the exchange.

Brookfield Corporation is required to maintain an effective registration statement in order to exchange any exchangeable shares for Brookfield Class A Shares. If a registration statement with respect to the Brookfield Class A Shares issuable upon any exchange, redemption or acquisition of exchangeable shares (including in connection with any liquidation, dissolution or winding up of our company) is not current or is suspended for use by the SEC, no exchange or redemption of exchangeable shares for Brookfield Class A Shares may be effected during such period. In addition, for so long as there is not an effective registration statement with respect to the delivery of Brookfield Class A Shares in connection with the exchange right, Brookfield Corporation will not be able to effect exchanges for Brookfield Class A Shares and will not be required to effect exchanges for cash that would result in the payment of an amount in excess of $5,000,000 in the aggregate over any 30 consecutive calendar day period; provided that such limit will not apply for more than 90 consecutive calendar days during any 12-month calendar period. As a result, in these circumstances, holders of exchangeable shares may experience a delay in receiving cash on exercise of the exchange right.

Your investment will change upon an exchange of exchangeable shares for Brookfield Class A Shares.

If you exchange exchangeable shares pursuant to the terms set forth in our bye-laws and the Rights Agreement, you will receive Brookfield Class A Shares or cash in exchange for such exchangeable shares. To the extent that you receive Brookfield Class A Shares in any such exchange, you will become a holder of shares of a Canadian corporation rather than a holder of a security of a Bermuda company. Brookfield Corporation is organized as a corporation under the laws of Ontario, Canada, whereas our company is organized as a Bermuda company. Therefore, recipients of Brookfield Class A Shares following an exchange of exchangeable shares for Brookfield Class A Shares will have different rights and obligations, including voting rights, from those that they had prior to the consummation of the exchange as a holder of exchangeable shares. See Item 10.B "*Memorandum and Articles of Association – Comparison of the Rights of Holders of Exchangeable Shares and Brookfield Class A Shares*".

The terms and ownership of our share capital, and our agreements with Brookfield, could discourage or inhibit takeovers, business combinations or other change of control transactions

All of our outstanding class C shares are held, directly or indirectly, by Brookfield Corporation. As such, Brookfield Corporation has certain rights, including the right to consent to any merger or similar reorganization of the company (including a sale of all of substantially all of our company's assets), and the right to resolve that our company commence a voluntary liquidation in certain circumstances, including where more than 20% of the total number of the exchangeable shares outstanding are controlled by one person or group of persons acting jointly or in concert. See Item 10.B "*Memorandum and Articles of Association – Class C Shares – Liquidation*". No consent or resolution of the class A exchangeable shares, class B shares or any other class of shares is required in connection with the commencement of such liquidation by Brookfield Corporation. As the lender under our credit facility, Brookfield Corporation also has certain consent rights over material changes relating to our company. Senior members of the Partnership collectively hold and control all of our outstanding class B shares through the BNT Trust, and are entitled to elect one-half of the Board and approve all other matters requiring shareholder approval, including the right to consent to any merger or similar reorganization of the company (including a sale of all of substantially all of our company's assets). See Item 7.A "*Major Shareholders*". Our bye-laws provide that the class B shares may only be transferred to a company controlled by one or more of the Partners or to Brookfield. These features of our share capital and ownership structure, and our agreements with Brookfield, could discourage potential acquirers from making a takeover bid or seeking to effect a change of control or business combination involving our company or make it difficult for any bid, change of control or business combination to be completed.

There are provisions in our bye-laws that may increase or reduce the voting rights of holders of class A exchangeable shares

Our bye-laws generally entitle each holder of class A exchangeable shares to cast one vote for each class A exchangeable share they hold as at the record date for determination of holders entitled to vote on any matter. However, our bye-laws also provide that no holder shall be permitted to exercise more than 9.9% of the total votes attaching to the class A exchangeable shares. Our bye-laws provide a mechanism pursuant to which any class A exchangeable share held by a shareholder that exceeds the aforementioned 9.9% threshold will be deemed to carry no voting rights in the hands of such holder, and such voting rights will be re-allocated *pro rata* among all other holders of class A exchangeable shares based on their shareholdings. In the event that the re-allocation of voting rights would result in the creation of a new shareholder being able to vote more than 9.9% of the outstanding class A exchangeable shares of our company, such re-allocation will occur repeatedly until there is no shareholder with more than 9.9% of the voting rights.

As such, some holders of class A exchangeable shares may, under certain circumstances, have their right to cast one vote for each class A exchangeable share they hold limited to less than one vote for each class A exchangeable share. Conversely, this 9.9% voting restriction may have the effect of increasing the voting rights of certain holders of class A exchangeable shares to more than one vote for each class A exchangeable share they hold.

If a sufficient number of class A exchangeable shares are exchanged for Brookfield Class A Shares, then the Class A exchangeable shares may be delisted.

If a sufficient number of class A exchangeable shares are exchanged for Brookfield Class A Shares, or our company exercises our redemption right, subject to the prior written consent of the holder of the class C shares, at any time including if the total number of class A exchangeable shares decreases by 50% or more over any twelve-month period, our company may fail to meet the minimum listing requirements on the NYSE and the TSX, and the NYSE or the TSX may take steps to de-list the class A exchangeable shares. Though holders of class A exchangeable shares will still be entitled to exchange each such share at any time for one Brookfield Class A Share (subject to adjustment to reflect certain capital events and certain other payment obligations in the case of a liquidation, dissolution or winding up of our company), or its cash equivalent (the form of payment to be determined at the election of Brookfield Corporation), a de-listing of class A exchangeable shares would have a significant adverse effect on the liquidity of the class A exchangeable shares, and holders thereof may not be able to exit their investments in the market on favorable terms.

The market price of the class A exchangeable shares may be volatile.

The market price of the class A exchangeable shares may be volatile. Holders of such securities may not be able to resell their securities at or above the current market price due to fluctuations in the market price of such securities, including changes in market price caused by factors unrelated to our company's operating performance or prospects. The historical trading price of the class A exchangeable shares is not necessarily indicative of future value. Specific factors that may have a significant effect on the market price of the exchangeable shares include:

- changes in stock market analyst recommendations or earnings estimates regarding the class A exchangeable shares or Brookfield Class A Shares, other companies that are comparable to our company or Brookfield Corporation or are in the industries that they serve;
- with respect to the class A exchangeable shares, changes in the market price of the Brookfield Class A Shares;
- changes in regulatory policies that may impact the business of our company or Brookfield Corporation;
- changes in tax policies that may impact the treatment of distributions;
- actual or anticipated fluctuations in our company and Brookfield Corporation's operating results or future prospects;
- reactions to public announcements by our company and Brookfield Corporation;
- strategic actions taken by our company or Brookfield Corporation;
- adverse conditions in the financial market or general U.S. or international economic conditions; and
- sales of such securities by our company, Brookfield Corporation or significant stockholders.

We or Brookfield Corporation may issue additional shares in the future, including in lieu of incurring indebtedness, which may dilute shareholders. We or Brookfield Corporation may also issue securities that have rights and privileges that are more favorable than the rights and privileges accorded to our shareholders.

Subject to the terms of any of our securities then outstanding (including those imposed under applicable securities laws or stock exchange rules), we may issue additional securities, including exchangeable shares, class B shares, class C shares, Senior Preferred Shares, Junior Preferred Shares, options, rights and warrants for any purpose and for such consideration and on such terms and conditions as our Board may determine. Subject to the terms of any of our securities then outstanding, our Board will be able to determine the class, designations, preferences, rights, powers and duties of any additional securities, including any rights to share in our profits, losses and dividends, any rights to receive our company's assets upon our dissolution or liquidation and any redemption, conversion and exchange rights. Subject to the terms of any of our securities then outstanding, our Board may use such authority to issue such additional securities, which would dilute holders of such securities, or to issue securities with rights and privileges that are more favorable than those of our exchangeable shares.

Similarly, subject to the terms of any preferred shares of Brookfield Corporation (including those imposed under applicable securities laws or stock exchange rules) then outstanding, Brookfield Corporation may issue additional securities, including shares, preferred shares, options, rights, warrants and appreciation rights relating to Brookfield Corporation's securities for any purpose and for such consideration and on such terms and conditions as the board of Brookfield Corporation may determine. Subject to the terms of any of Brookfield Corporation's securities then outstanding, the board of Brookfield Corporation will be able to determine the class, designations, preferences, rights, powers and duties of any additional securities, including any rights to share in Brookfield Corporation's profits, losses and dividends, any rights to receive Brookfield Corporation's assets upon its dissolution or liquidation and any redemption, conversion and exchange rights. Subject to the terms of any of the Brookfield Corporation securities then outstanding, the board of Brookfield Corporation may use such authority to issue such additional securities, which would dilute holders of such securities, or to issue securities with rights and privileges that are more favorable than those of the Brookfield Class A Shares.

The sale or issuance of a substantial number of our exchangeable shares, the Brookfield Class A Shares or other securities of our company or Brookfield Corporation in the public or private markets, or the perception that such sales or issuances could occur, could depress the market price of our exchangeable shares and impair our ability to raise capital through the sale of additional exchangeable shares. We cannot predict the effect that future sales or issuances of our exchangeable shares, Brookfield Class A Shares or equity securities would have on the market price of our exchangeable shares. Subject to the terms of any of our securities then outstanding, holders of exchangeable shares will not have any pre-emptive right or any right to consent to or otherwise approve the issuance of any securities or the terms on which any such securities may be issued.

Our company cannot assure you that it will be able to pay distributions equal to the levels currently paid by Brookfield Corporation and holders of exchangeable shares may not receive distributions equal to the dividends paid on the Brookfield Class A Shares and, accordingly, may not receive the intended economic equivalence of those securities.

The exchangeable shares are intended to provide an economic return per exchangeable share equivalent to one Brookfield Class A Share (subject to adjustment to reflect certain capital events and certain other payment obligations in the case of a liquidation, dissolution or winding up of our company) and it is expected that distributions on our exchangeable shares will continue to be paid at the same time and in the same amount as dividends on the Brookfield Class A Shares. Further, pursuant to the Support Agreement (as defined herein), Brookfield has agreed to support the economic equivalence of the exchangeable shares and Brookfield Class A Shares for so long as exchangeable shares not owned by Brookfield are outstanding and there has not been an amendment to the exchange feature by agreeing to, among other things, take all actions reasonably necessary to enable our company to, among other things, pay quarterly distributions.

However, distributions are at the discretion of our Board and unforeseen circumstances (including legal prohibitions) may prevent the same distributions from being paid on each security. The payment of any return of capital distributions is subject to shareholder approval, which we intend to seek annually but which may not be obtained. In addition, the amount of any return of capital distributions on our exchangeable shares approved by shareholders could be less than the amount of the dividends declared by Brookfield Corporation on the Brookfield Class A Shares in respect of some quarters, including as a result of dividend increases made by Brookfield Corporation in between our annual shareholder meetings. Accordingly, there can be no assurance that holders of exchangeable shares will receive all distributions as a return of capital distribution rather than an ordinary dividend, or that distributions on the exchangeable shares will be paid at the same time and in the same amount as dividends on the Brookfield Class A Shares, which may impact the market price of the exchangeable shares. Distributions on our exchangeable shares may not equal the levels currently paid by Brookfield Corporation for various reasons, including, but not limited to, the following:

- our company may not have enough unrestricted funds to pay such distributions due to changes in our company's cash requirements, capital spending plans, cash flow or financial position and may not have availability under the Equity Commitment, credit facility or other sources of funds;
- decisions on whether, when and in which amounts to make any future distributions will be dependent on then-existing conditions, including our company's financial conditions, earnings, legal requirements, including limitations under Bermuda law, restrictions on our company's borrowing agreements that limit our ability to pay distributions and other factors we deem relevant; and
- our company may desire to retain cash to improve our credit profile or for other reasons.

Non-U.S. shareholders are subject to foreign currency risk associated with our company's distributions.

A significant number of our shareholders reside in countries where the U.S. dollar is not the functional currency. Our distributions are denominated in U.S. dollars but are settled in the local currency of the shareholder receiving the distribution. For each non-U.S. shareholder, the value received in the local currency from the distribution will be determined based on the exchange rate between the U.S. dollar and the applicable local currency at the time of payment. As such, if the U.S. dollar depreciates significantly against the local currency of the non-U.S. shareholder, the value received by such shareholder in its local currency will be adversely affected.

Bermuda law differs from the laws in effect in Canada and may afford protection to shareholders that differs from the protection offered under Canadian law.

As a Bermuda company, we are governed by the Bermuda Act. Bermuda corporate law differs in some material respects from laws generally applicable to Canadian corporations, including the provisions relating to interested directors, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. Under Bermuda law, the duties of directors and officers of a company are generally owed to the company only. Officers of a Bermuda company must, in exercising their powers and performing their duties, act honestly and in good faith with a view to the best interests of the company and must exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances. Shareholders of Bermuda companies do not generally have rights to take action against directors or officers of the company and may only do so in limited circumstances. See Item 10.B "*Memorandum and Articles of Association – Comparison of the Rights of Holders of Exchangeable Shares and Brookfield Class A Shares*".

Our bye-laws designate specific courts in Bermuda as the exclusive forum for certain litigation that may be initiated by our shareholders, which could limit our shareholders' ability to obtain a desired judicial forum for disputes with us.

Pursuant to our bye-laws, unless we consent in writing to the selection of an alternative forum (and our company will always provide such consent with respect to the Superior Court of Justice of the Province of Ontario, Canada and appellate Courts thereof), the Supreme Court of Bermuda shall, to the fullest extent permitted by law, be the sole and exclusive forum for any dispute that arises concerning the Bermuda Act or out of or in connection with our bye-laws, including any question regarding the existence and scope of our bye-laws and/or whether there has been any breach of the Bermuda Act or our bye-laws by an officer or director (whether or not such a claim is brought in the name of a shareholder or in the name of our company, which we refer to as the Bermuda Forum Provision.) The Bermuda Forum Provision will not apply to any causes of action arising under the U.S. Securities Act or the Exchange Act. In addition, our bye-laws further provide that unless we consent in writing to the selection of an alternative forum, the federal courts of the United States shall be the sole and exclusive forum for resolving any complaint filed in the United States asserting a cause of action arising under the U.S. Securities Act, which we refer to as the U.S. Federal Forum Provision. In addition, our bye-laws provide that any person or entity purchasing or otherwise acquiring any interest in our exchangeable shares is deemed to have notice of and consented to the Bermuda Forum Provision and the U.S. Federal Forum Provision; provided, however, that shareholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder.

The Bermuda Forum Provision and the U.S. Federal Forum Provision in our bye-laws may impose additional litigation costs on shareholders in pursuing any such claims. Additionally, the forum selection clauses in our bye-laws may limit our shareholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our shareholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the U.S. Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts, including courts in Bermuda and other courts within the U.S. and Canada, will enforce our U.S. Federal Forum Provision. If the U.S. Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The U.S. Federal Forum Provision may also impose additional litigation costs on shareholders who assert that the provision is not enforceable or invalid. The Supreme Court of Bermuda and the federal courts in the United States may also reach different judgments or results than would other courts, including courts where a shareholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our shareholders.

Risks Relating to our Company

Our company's material assets consist predominantly of interests in our operating subsidiaries.

We depend in part on distributions and other payments from our operating subsidiaries to provide us with the funds necessary to meet our financial obligations. Our operating subsidiaries are legally distinct from our company and some of them are or may become restricted in their ability to pay distributions or otherwise make funds available to our company pursuant to local law, regulatory requirements and their contractual agreements, including agreements governing their financing arrangements. Our operating businesses will generally be required to satisfy their own working capital requirements and service any debt obligations before making distributions to our company. In the event that payments from our operating subsidiaries are insufficient to meet our financial obligations, we will be required to rely on our third-party credit facilities as well as support provided by Brookfield Corporation pursuant to the Support Agreement, Brookfield Credit Agreement and Equity Commitment in order to satisfy such obligations.

Our company is a "SEC foreign issuer" under Canadian securities regulations and a "foreign private issuer" under U.S. securities law. Therefore, we are exempt from certain requirements of Canadian securities laws and from requirements applicable to U.S. domestic registrants listed on the NYSE.

Although our company is a reporting issuer in Canada, we are a "SEC foreign issuer" and exempt from certain Canadian securities laws relating to disclosure obligations and proxy solicitation, subject to certain conditions. Therefore, there may be less publicly available information in Canada about our company than would be available if we were a typical Canadian reporting issuer.

Although our company is subject to the periodic reporting requirements of the Exchange Act, the periodic disclosure required of foreign private issuers under the Exchange Act is different from periodic disclosure required of U.S. domestic registrants. Therefore, there may be less publicly available information about our company than is regularly published by or about other companies in the United States. Our company is exempt from certain other sections of the Exchange Act to which U.S. domestic issuers are subject, including the requirement to provide our shareholders with information statements or proxy statements that comply with the Exchange Act. In addition, large shareholders of our company are not obligated to file reports under Section 16 of the Exchange Act, and are permitted to follow certain home country corporate governance practices instead of those otherwise required under the NYSE Listed Company Manual for domestic issuers. Our company currently follows the same corporate practices as would be applicable to U.S. domestic companies under the U.S. federal securities laws and NYSE corporate governance standards. However, we may in the future elect to follow our home country law for certain of our other corporate governance practices, as permitted by the rules of the NYSE, in which case our shareholders would not be afforded the same protection as provided under NYSE corporate governance standards to U.S. domestic registrants. Following our home country governance practices as opposed to the requirements that would otherwise apply to a U.S. domestic company listed on the NYSE may provide less protection than is accorded to investors of U.S. domestic issuers.

We are subject to the risk of possibly becoming an investment company under U.S. federal securities law.

In the United States, the Investment Company Act of 1940 ("**Investment Company Act**") regulates certain companies that invest in or trade securities. We rely on an exemption from the definition of "investment company" in the Investment Company Act as a holding company that conducts all of its business operations through, and whose material assets consist of interests in majority and wholly-owned operating subsidiaries. Our subsidiaries consist of entities organized and regulated as insurance companies whose primary and predominant business activity is the writing of insurance and entities organized and regulated as foreign insurance companies that are engaged primarily and predominantly in the writing of insurance agreements and the reinsurance of risks on insurance agreements. The law in this area is subjective and there is limited regulatory guidance as to the meaning of "primary and predominant" or "primarily and predominantly" in the relevant exemption to the Investment Company Act. For example, there is no formal standard for the amount of premiums that need to be written relative to the level of an entity's capital in order to qualify for the exemption. If this exemption were deemed inapplicable, we may, subject to the availability of other exemptions, have to seek to register under the Investment Company Act as an investment company which would require an order from the SEC. Our inability to obtain such an order could have a significant adverse impact on our business.

Assuming that we were permitted to register as an investment company, registered investment companies are subject to extensive, restrictive regulation relating to, among other things, operating methods, management, capital structure, leverage, dividends and transactions with affiliates, which would have a significant adverse impact on our business. Registered investment companies are not permitted to operate their business in the manner in which we operate our business as it is currently conducted, nor are registered investment companies permitted to have many of the relationships that we have with our affiliated companies.

If at any time it were established that we had been operating as an investment company in violation of the registration requirements of the Investment Company Act, there would be a risk, among other adverse consequences, that we could become subject to monetary penalties or injunctive relief, or both, or that we would be unable to enforce contracts with third parties or that third parties could seek to obtain rescission of transactions with us undertaken during the period in which it was established that we were an unregistered investment company.

To the extent that the laws and regulations change in the future so that contracts we write are deemed not to be reinsurance contracts, we will be at greater risk of not qualifying for the Investment Company Act exemption. Additionally, it is possible that our classifications as an investment company would result in the suspension or revocation of our insurance or reinsurance licenses.

Our failure to maintain effective internal controls could have an adverse effect on our business in the future and the price of our exchangeable shares.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and stock exchange rules promulgated in response to the Sarbanes-Oxley Act. All of our current operating subsidiaries are, and potential future acquisitions will be, private companies and their systems of internal controls over financial reporting may be less developed as compared to public company requirements. Any failure to maintain adequate internal controls over financial reporting or to implement required, new or improved controls, or difficulties encountered in their implementation, could cause material weaknesses or significant deficiencies in our internal controls over financial reporting and could result in errors or misstatements in our consolidated financial statements that could be material. If we or our independent registered public accounting firm were to conclude that our internal controls over financial reporting were not effective, investors could lose confidence in our reported financial information and the price of our exchangeable shares could decline. Our failure to achieve and maintain effective internal controls could have an adverse effect on our business, our ability to access capital markets and investors' perception of us. In addition, material weaknesses in our internal controls could require significant expense and management time to remediate.

Changes in accounting estimates and assumptions could negatively affect our financial position and results of operations

Changes in our accounting estimates and assumptions could negatively affect our financial position and results of operations. We prepare our consolidated financial statements in accordance with U.S. GAAP. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as reported amounts of revenues and expenses.

We periodically evaluate our estimates and assumptions and base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. These assumptions and estimates involve the exercise of judgment and discretion, which may evolve over time in light of operational experience, regulatory direction, developments and other factors.

Authorities may change accounting standards that apply to us, and we may adopt changes earlier than required. Changes in accounting rules applicable to our business may have an adverse impact on our results of operations and financial condition.

Canadian and U.S. investors in our exchangeable shares may find it difficult or impossible to enforce service of process and enforcement of judgments against our company, our Board and our executive officers.

We are incorporated under the laws of Bermuda, and a number of our subsidiaries are organized in jurisdictions outside of Canada and the United States. In addition, one of our executive officers is located outside of Canada and the United States. Further, certain of our assets are, and the assets of our directors and officers may be, located outside of Canada and the United States. It may not be possible for investors to effect service of process within Canada and the United States upon our directors and officers. It may also not be possible to enforce against us, the experts identified in this Form 20-F, or our directors and officers, judgments obtained in Canadian courts or U.S. courts predicated upon the civil liability provisions of applicable securities law in the United States.

Risks Relating to Our Operating Subsidiaries and Industry

Our company makes assumptions and estimates when underwriting insurance and reinsurance risks, and significant deviations from such assumptions and estimates could adversely affect our business, financial condition, results of operations, liquidity and cash flows.

Our company makes and relies on certain assumptions and estimates in order to make decisions regarding pricing, target returns, reserve levels and other factors affecting our business operations. Our underwriting results depend upon the extent to which our actual claims experience and benefit payments on our insurance policies and reinsurance contracts are consistent with the assumptions we use in setting prices and establishing liabilities for such contracts. Such amounts are established based on actuarial estimates of how much we will need to pay for future benefits and claims based on data and models that include many assumptions and projections, which are inherently uncertain and involve significant judgment, including assumptions as to the levels and/or timing of receipt or payment of premiums, benefits, claims, expenses, interest credits and investment results (including equity and other market returns). If the data we rely on in our underwriting is inaccurate, or if our assumptions and estimates differ significantly from the actual outcomes and results, our business, financial condition, results of operations, liquidity and cash flows may be adversely affected. Similarly, if we fail to assess accurately the risks we underwrite or fail to comply with our internal guidelines on underwriting, or if events or circumstances cause our risk assessment to be incorrect, our reserves may prove to be inadequate to cover future claims and benefit payments.

In particular, our life and annuity products expose our company to lapse, mortality and longevity risks. Lapse risk is the risk that the timing of policyholder withdrawals differ from underwritten assumptions. Mortality risk is the risk that the timing of death benefits differ from underwritten assumptions. Longevity risk is the risk that the length of time we pay pension or annuity benefits may exceed that which we assumed in pricing our reinsurance contracts. Lapse, mortality and longevity products, including PRT and other annuity products, may experience adverse impacts due to higher-than-expected mortality improvement. Lapse, mortality and longevity experience which is less favorable than the rates that we used in pricing an insurance policy or a reinsurance agreement may cause our net income to be less than otherwise expected because the premiums we receive for the risks we assume may not be sufficient to cover the claims and profit margin. We may use a variety of strategies to manage mortality, lapse and longevity risks, including the use of reinsurance and derivative instruments. These strategies, however, may not be fully effective and may lead to payments to counterparties in excess of recoveries depending on how actual experience emerges. Moreover, advances in technology, including predictive medical technology that enables consumers to select products better matched to their individual risk profile and other medical breakthroughs that extend lives, could cause our future experience to deviate significantly from our actuarial assumptions, which could adversely impact timing of payments, our required level of reserves and profitability.

In addition, social, economic, political and environmental issues, including rising income inequality, unemployment, climate change, prescription drug use and addiction, exposures to new substances or those previously considered to be safe, along with the use of social media to proliferate messaging around such issues, has expanded the theories for reporting claims, which may increase the amounts we are required to pay out under certain of our policies and may also increase our claims administration and/or litigation costs. Governments' increased efforts to respond to the costs and concerns associated with these types of issues may also lead to expansive, new theories for reporting claims or may lead to the passage of "reviver" statutes that extend the statute of limitations for the reporting of these claims. These and other social, economic, political and environmental issues may also either extend coverage beyond our underwriting intent or increase the frequency or severity of claims.

With respect to our P&C products, estimation of ultimate net losses, loss expenses and the liability for unpaid losses and loss adjustment expenses is a complex process, particularly for both long-tail and medium-tail liability lines of business. There is also greater uncertainty in establishing reserves with respect to new business, particularly new business involving recently introduced product lines. In these cases, there is less historical experience or knowledge and less data upon which the actuaries can rely. Estimating reserves is further complicated by unexpected claims or unintended coverages that emerge due to unexpected events, such as pandemics or geopolitical conflicts. These emerging issues may increase the size or number of claims beyond our underwriting intent and may not become apparent, or be known, until many years after a policy is issued. Examples of emerging claims and issues may include, increased claims resulting from third-party funding of litigation, class-action litigation related to claims handling where plaintiff target P&C insurers, claims resulting from climate change conditions or social inflation trends.

Finally, in respect of our reinsurance business, our company often relies on the policies, procedures and expertise of the ceding companies making the original underwriting decisions. Similar to the practice of other insurers, our company does not separately evaluate each of the individual risks assumed under reinsurance treaties or each claim incurred. Accordingly, our company is dependent on the information provided by the ceding companies (or their third-party administrators), and there can be no assurance that such ceding companies have adequately evaluated the risks to be reinsured. We may rely on the ceding companies to whom we provide reinsurance, or any third-party administrators with whom they contract, to provide policy administration and policyholder services and to provide timely and accurate financial and operating information to us. There can be no assurance that erroneous information we receive will be identified and resolved such that the information is included without error, which may impact our business and servicing quality and could have an adverse effect on our business, financial condition and results of operations. In some instances, the provisions we include in our policies, which aim to limit our risk, such as various exclusions from certain coverage, and other loss limitation provisions, may not be enforceable or may be considered null and void by a court or a regulatory authority.

We regularly review our reserves and associated assumptions as part of our ongoing assessment of our business performance and risks. If we conclude that our reserves are insufficient to cover actual or expected policy and contract benefits and claim payments as a result of changes in experience, assumptions or otherwise, we may update the assumptions used to calculate reserves for our in-force business, which could result in additional assets needed to meet the higher, earlier, or more frequent than expected payments and claims. An increase in reserves due to revised assumptions would have an immediate impact on our results of operations and financial condition; however, economically the impact is generally long term as the excess outflow is paid over time.

If we are unable to attract and retain IMOs, agents, banks and broker-dealers, sales of our insurance products may be adversely affected.

We distribute our insurance products through a variable cost distribution network, which includes numerous IMOs, independent agents, banks, independent broker-dealers and program administrators (the "**distributors**") who sell our products. We must attract and retain such marketers, agents and financial institutions to sell our products. In particular, insurance companies compete vigorously for productive agents.

We compete with other insurance companies for marketers, agents and financial institutions primarily on the basis of our product pricing, support services, compensation, credit ratings and product features. Such distributors may also promote products offered by other insurance companies that may offer a larger variety of products than we do. Our competitiveness for such marketers, agents and financial institutions also depends upon the long-term relationships we develop with them and there can be no assurance that such relationships will continue in the future. This may impact our distribution channels and our ability to compete, while also adversely affecting our sales volumes and operations.

Advances in medical technology may adversely affect certain segments of our business.

Genetic testing and diagnostic imaging technology is advancing rapidly. Increases in the prevalence, availability (particularly in the case of direct to consumer genetic testing) and accuracy of such testing may increase our adverse selection risk, as people who learn that they are predisposed to certain medical conditions associated with reduced life expectancy may be more likely to purchase and maintain life insurance. Conversely, people who learn that they lack genetic predisposition to conditions associated with reduced life expectancy may forego the purchase of life insurance, or permit existing policies to lapse, and may be more likely to purchase certain annuity products. Our access to and ability to use medical information, including the results of genetic and diagnostic testing, that is known to our prospective policyholders is important to our underwriting of life insurance and annuities. All of the jurisdictions in which our businesses operate limit and/or restrict insurers' access and use of genetic information, and similar additional regulations and legislation may be adopted. Such regulation and legislation likely would exacerbate adverse risk selection related to genetic and diagnostic testing, which may in turn have an adverse effect on our businesses.

In addition to earlier diagnosis and knowledge of disease risk, medical advances (including the increasing use of GLP-1) may increase overall health and longevity. If this were to occur, the duration of payments made under certain of our annuity products would be extended beyond our actuarial assumptions, reducing the profitability of such business. This may require us to modify our assumptions, models or reserves.

A rating downgrade or the absence of a rating of any of our operating subsidiaries or their wholly owned insurance companies could adversely affect our existing business and our ability to compete for further business.

Financial strength ratings are an important competitive factor in the insurance and reinsurance industries. Ratings organizations periodically review the financial performance and condition of insurers and reinsurers. Ratings are based on a company's ability to pay its obligations and are not directed toward the protection of investors. Ratings organizations assign ratings based upon several factors, including historical experience, and while most of these factors relate to the underlying company, some of the factors relate to general economic conditions and circumstances outside the company's control. Ratings are subject to revision or withdrawal at any time by the assigning ratings organization. Financial strength ratings are directed toward policyholders and not holders of securities, and are not a recommendation to buy, sell or hold securities, and each rating should be evaluated independently of any other rating. There can be no assurance that the financial strength rating assigned to any of our operating subsidiaries will remain in effect for any given period of time or that the rating will not be lowered, withdrawn or revised by the rating agency at any time.

Any downgrade in the financial strength rating of any of our operating subsidiaries could adversely affect our company's ability to sell products, retain existing business and compete for attractive acquisition opportunities and could result in our company being removed from the approved lists of some customers and may adversely affect the ability of our company to write business to such customers. Some of the reinsurance treaties our company may enter into permit customers to reassume all or a portion of the risk formerly ceded to us due to, among other things, changes in the financial condition or ratings of our operating subsidiaries. Accordingly, we may suffer a loss of business as a result.

In addition, a significant downgrade in a rating or outlook of any of our operating subsidiaries or their wholly owned insurance companies, among other factors, could adversely affect our ability to raise and then contribute capital to our subsidiaries for the purpose of facilitating or supporting their business or any reinsurance opportunities that may arise and may also increase our cost of capital. Accordingly, a ratings downgrade of any such subsidiaries could adversely affect our ability to conduct business, including reducing new sales of insurance products or increasing the number or amount of surrenders and withdrawals, requiring us to offer higher crediting rates or greater policyholder guarantees on our insurance products in order to remain competitive, affecting our relationships with independent sales intermediaries and credit counterparties and affecting our ability to obtain reinsurance at reasonable prices.

There is no assurance that our operating subsidiaries or their wholly owned insurance companies will be able to maintain or obtain a rating.

No assurance can be provided that any action taken by a rating agency would not result in an adverse effect on the business of our company and/or the results of operations, financial condition, liquidity or prospects of our company.

If market conditions cause reinsurance to be more costly or unavailable, we may be required to bear increased risks or reduce the level of our underwriting commitments.

As part of our overall risk and capacity management strategy, we may choose to purchase reinsurance for certain types or amounts of risk underwritten within our business or assumed through arrangements where we reinsure liabilities from others. Market conditions beyond our control determine the availability and cost of the reinsurance protection we seek to purchase, which may affect the level of our businesses and profitability. The premium rates and other fees that we charge are based, in part, on the assumption that reinsurance will be available at a certain cost. Accordingly, we may be forced to incur additional expenses for reinsurance, which could adversely affect our ability to write future business. In addition, we may be unable to obtain reinsurance on terms acceptable to us relating to certain lines of business that we intend to begin underwriting.

If the counterparties to our reinsurance arrangements or to the derivatives we use to hedge our business risks default or fail to perform, we may be exposed to risks we had sought to mitigate, which could adversely affect our financial condition and results of operations.

We use reinsurance and derivatives to mitigate our risks in various circumstances. In general, reinsurance and derivatives do not relieve us of our direct liabilities. Accordingly, we bear credit risk with respect to our counterparties. A counterparty's insolvency, inability or unwillingness to make payments under the terms of reinsurance agreements, indemnity agreements or derivatives agreements with us or inability or unwillingness to return collateral could have an adverse effect on our financial condition and results of operations. While we may manage these risks through transaction-related diligence, contract terms, collateral requirements, hedging, and other oversight mechanisms, our efforts may not be successful.

In addition, we may use derivatives to hedge various business risks. We may enter into a variety of derivatives, including options, forwards, interest rate, credit default and currency swaps with a number of counterparties on a bilateral basis for uncleared OTC derivatives and with clearing brokers and central clearinghouses for OTC-cleared derivatives (OTC derivatives that are cleared and settled through central clearing counterparties). If our counterparties, clearing brokers or central clearinghouses fail or refuse to honor their obligations under these derivatives, our hedges of the related risk will be ineffective. Such failure could have an adverse effect on our financial condition and results of operations. We seek to reduce the risks associated with such derivative transactions by entering into such agreements with large, well-established financial institutions. However, there can be no assurance that we will not suffer losses if a derivative counterparty failed to perform or fulfill its obligations.

The insurance industry is highly competitive; competitive pressures may result in lower volumes of policies written, fewer insurance contracts underwritten, lower premium rates, increased expense for customer acquisition and retention and less favorable policy terms and conditions.

We operate in highly competitive markets. Customers may evaluate us and our competitors on a number of factors, including capital and perceived financial strength, underwriting capacity, expertise, innovation, local presence, reputation, experience and qualifications of employees, client relationships, geographic scope of business, products and services offered (including ease of doing business over the electronic placement platforms), premiums charged, ratings assigned by independent rating agencies, contract terms and conditions and the speed of claims payment.

Within our insurance business, strong competition for customers has led to increased marketing and advertising by our competitors, many of whom have well-established national reputations and greater financial and marketing resources, as well as the introduction of new insurance products and aggressive pricing practices. These competitive pressures could result in increased pricing pressures on a number of our products and services, particularly as competitors seek to win market share, and may limit our ability to maintain or increase our sales volume and profitability. Because of its relatively low cost of entry, technology and the Insurtech industry has emerged as a significant place of new competition, both from existing competitors and new competitors. In addition, product development and life-cycles have shortened in many product segments, leading to intense competition with respect to product features.

We compete for customers' funds with a variety of investment products offered by financial services companies other than insurance companies, such as banks, investment advisors, mutual fund companies and other financial institutions. Moreover, customer expectations are evolving as technology advances and consumers become accustomed to enjoying tailored, easy to-use-services and products from various industries. This is reshaping and raising consumer expectations when dealing with insurance. We are addressing these changing consumer expectations by investing in technology with a particular focus on consumer-facing sales and service platforms, by internally promoting a strategically-focused innovative culture initiative, and by creating internal forums to drive next generation solutions based on consumer insights. However, if we cannot effectively respond to increased competition and such increased consumer expectations, we may not be able to grow our business or we may lose market share.

We compete with other insurers for producers primarily on the basis of our financial position, reputation, longevity, support services, compensation, product features and pricing. We may be unable to compete for producers with insurers that adopt more aggressive pricing or compensation, that offer a broader array of products or packages of products, or that have extensive promotional and advertising campaigns. Attracting qualified individuals and retaining existing employees continues to be a challenge for employers. Businesses have become extremely competitive in the ever-changing landscape of the talent marketplace. As a result, it is an increasing challenge to distinguish us as an employer of choice.

Within each of our businesses, we directly compete with a number of well-established players and new entrants in the industries, including reinsurance and insurance companies, financial institutions, and traditional and alternative asset managers. Our competitors vary by offered product line and covered territory. Our competition primarily includes other reinsurance and insurance companies, larger-scale pension plans and asset management firms that provide long duration capital. Some of these competitors have greater financial resources, have established long-term and continuing business relationships throughout their respective industries, have greater market share, assume a greater level of risk while maintaining financial strength ratings, or have higher financial strength, claims-paying or credit ratings than we do, each of which can be a significant competitive advantage. In addition, the lack of strong barriers to entry into the reinsurance business and the entry of alternative capital markets products and vehicles provide additional sources of reinsurance and insurance capacity and increased competition. Our ability to compete effectively in the U.K. annuity market may be materially affected by (among other things) the calculation and availability of the Matching Adjustment and any transitional measures on technical provisions, and the use (where applicable) of an internal model. These approaches typically require regulatory approval and continued compliance with approval conditions, and approvals may be varied, withdrawn or made subject to additional requirements, including "capital add-ons" where the PRA considers that the standard formula or an internal model does not adequately reflect the firm's risk profile.

We compete with new companies that enter the insurance market, particularly companies with new or "disruptive" technologies or business models. Certain technology companies and other third parties have created, and may in the future create, technology-enabled business models, processes or platforms that may adversely impact our competitive position. New services and technologies can affect the demand for insurance and reinsurance products and services, the premiums payable, the profitability of such products and services and the risks associated with underwriting certain lines of business. In addition, certain capital markets participants have created alternative products that are intended to compete with reinsurance products. Recently, the insurance industry has faced increased competition from new underwriting capacity, such as the investment of significant amounts of capital by pension funds, mutual funds, hedge funds and other sources of alternative capital primarily into the natural catastrophe reinsurance and insurance businesses. The failure of our company to assess new services and technologies that may be applicable or disruptive to the reinsurance and insurance industries may have an adverse effect on our business, financial condition and results of operations.

The nature of the competition we face may be affected by disruption and deterioration in global financial markets and economic downturns, as well as by governmental responses thereto. For example, (i) government intervention might result in capital or other support for our competitors, (ii) governments may provide reinsurance and insurance capacity in markets and to consumers that we target or (iii) governments may take actions to reduce interest rates, impacting the value of and returns on fixed income investments. In addition, since numerous aspects of our business are subject to regulation, legislative and other changes affecting the regulatory environment for our business may have, over time, the effect of supporting or burdening some aspects of the financial services industry. This can affect our competitive position within the annuities industry, and within the broader financial services industry.

We compete with other companies to attract and retain talented key personnel and employees. The insurance industry relies on recruiting and developing individuals with specialized skills and knowledge in various areas, including actuarial science, underwriting, technology, investment management, and data and analytics. Any challenges in attracting and retaining employees with such specialized skills may adversely impact our operations.

Because of the highly competitive nature of the insurance industry, there can be no assurance that we will maintain or grow our market share, continue to identify attractive opportunities in either our individual or institutional channels, or that competitive pressure will not have an adverse effect on our business, results of operations and/or financial condition.

Consolidation in the insurance industry could adversely impact us.

Participants in the insurance industry, including our competitors, customers and insurance brokers, have been consolidating. There has been a large amount of merger and acquisition activity in the insurance industry in recent years which may continue. We may experience increased competition as a result of that consolidation, with larger entities having enhanced market power. Increased competition could result in fewer submissions, lower premium rates, less favorable policy terms and conditions and greater costs of customer acquisition and retention.

Should the market continue to consolidate, competitors may try to use their enhanced market power to obtain a larger market share through increased line sizes or through price competition. If competitive pressures reduce our pricing power, this could in turn lead to reduced premiums and a reduction in expected earnings. As the insurance industry consolidates, competition for customers will become more intense and the importance of sourcing and properly servicing each customer will become greater.

We could incur greater expenses relating to customer acquisition and retention, further reducing our operating margins. In addition, insurance companies that merge may be able to spread their risks across a larger capital base so that they require less reinsurance. The number of companies offering reinsurance to competitors may decline.

Reinsurance intermediaries could also continue to consolidate, potentially adversely impacting our ability to access and write business. We could also experience more robust competition from larger, better capitalized competitors. As a result of the consolidation in the industry, we may experience rate declines and possibly write less business.

Any of the foregoing could adversely affect our financial condition, business, and operations.

Failure to maintain the security of our information and technology systems could have an adverse effect on our business.

We rely on the use of technology and information systems, many of which are controlled by third-party service providers, to monitor and process internal and customer-facing transactions, and to assist us in other work, such as performing actuarial analyses and updating our financial statements. If any of these systems were to encounter an operational failure or glitch, it may result in our employees and agents failing to monitor any modifications, enhancements or other errors. Additionally, our information systems and technology may not be able to accommodate our growth, may increase in cost, or may become subject to cyber-terrorism or other compromises and shutdowns. Any failures or interruptions of these systems could adversely affect our business and results of operations.

We rely heavily on certain financial, accounting, communications and other data processing systems. We collect, store and use large amounts of sensitive information, including personally identifiable information, through our information technology systems. While we rely on internal controls to protect the confidentiality of this information, it is possible that an employee could, intentionally or unintentionally, disclose or misappropriate confidential information. If we fail to maintain adequate internal controls, or if our employees fail to comply with our policies, misappropriation or intentional or unintentional disclosure or misuse of personal information could occur. Such internal control inadequacies or non-compliance could materially damage our reputation or lead to civil, regulatory or criminal penalties, which, in turn, could have an adverse effect on our business, financial condition and results of operations. Further, the failure or compromise of our systems as a result of any actions or errors made by our employees or agents that cause a significant interruption to our operations, may adversely impact our reputation and brand in the insurance industry, as well as our operations, financial reporting ability and business.

We rely on our information technology systems to function as intended, and these systems face ongoing cybersecurity threats and attacks, which could result in the failure of such infrastructure. We may in the future be subject to cyber-terrorism or other cybersecurity risks or other breaches of information technology security, noting the increasing frequency, sophistication and severity of these kinds of incidents. In particular, our information technology systems may be subject to cyber-terrorism intended to obtain unauthorized access to our proprietary information, personally identifiable information or to client or third-party data stored on our systems, destroy or disable our data, and/or that of our business partners, disclose confidential data in breach of data privacy legislation, destroy data or disable, degrade or sabotage our systems, through the introduction of computer viruses, cyber-attacks and other means. Such attacks could originate from a wide variety of sources, including internal actors or unknown third parties.

Further, if any threat actors or hackers were to gain physical access to our facilities and infiltrate our information systems or attempt to gain access to information and data, or if they were to circumvent our existing security system measures and obtain access to our systems (which may include the ability to view, alter, or delete information, including personally identifiable customer information and proprietary business information) by penetrating our security controls and causing system and operational disruptions or shutdown, accessing, misappropriating or otherwise compromising protected personal information or proprietary or confidential information or that of third parties, and developing and deploying viruses, ransomware and other malware that can attack our systems, exploit any security vulnerabilities and disrupt or shutdown our systems and operations, our operations may be negatively affected and our business may be at risk. Such risks are also extended to portable electronic devices, such as laptops, which are particularly vulnerable to loss and theft. The sophistication of the threats continue to evolve and grow, including the risk associated with the use of emerging technologies, such as artificial intelligence and quantum computing, for nefarious purposes. We cannot predict what effects such cyber-attacks or compromises or shutdowns may have on our business and on the privacy of the individuals or entities affected, and the consequences could be material. In addition, remote working increases these risks, as our interaction with employees and external service providers occur on information systems, networks and environments over which we have less control and which may be more difficult to monitor.

Cyber incidents may also remain undetected for an extended period, which could exacerbate these consequences. A significant actual or potential theft, loss, corruption, exposure, fraudulent, unauthorized or accidental use or misuse of investor, policyholder, employee or other personally identifiable or proprietary business data, whether by third parties or as a result of employee malfeasance or otherwise, non-compliance with our contractual or other legal obligations regarding such data or intellectual property or a violation of our privacy and security policies with respect to such data could result in significant remediation and other costs, fines, litigation and regulatory actions against us by governments, various regulatory organizations or exchanges, or affected individuals, in addition to significant reputational harm and/or financial loss, and it may not be possible to recover losses suffered from such incidents under our insurance policies, including if our insurers deny coverage as to any particular claim in the future or if such loss is not fully covered by insurance maintained, and which may not take into account reputational damage, the costs of which are impossible to quantify. In addition, our insurance coverage with respect to cyber incidents may increase in cost or cease to be available on commercially reasonable terms, or at all, in the future.

While we currently have internal controls and security measures in place, including regularly scheduled testing, our systems may be at risk to physical or electronic intrusions, computer viruses or other malicious codes, unauthorized or fraudulent access, cyber incidents such as ransomware, social-engineering attacks, or denial-of-service attacks, programming or other human errors, and other breaches of cybersecurity and information security systems and similar disruptions, and we may not be able to anticipate, detect, repel or implement effective preventative measures against all such threats since the sophistication of the threats continue to evolve and grow, including the risk associated with the use of emerging technologies, such as artificial intelligence and quantum computing, for nefarious purposes.

We are also reliant on third-party service providers for support of certain aspects of our business, including for certain information systems and technology platforms, trustee services, legal services, technology, actuarial and accounting matters. A disaster, disruption or compromise in technology or infrastructure that supports our company's business, including a disruption involving electronic communications or other services used by us, our vendors or third parties with whom we conduct business, may have an adverse impact on our ability to continue to operate our businesses without interruption which could have an adverse effect on us. These risks could increase as vendors increasingly offer cloud-based software services rather than software services that can be operated within our own data centers. These risks also increase to the extent we engage in operations in jurisdictions with which we are not familiar.

Our systems may also be at risk due to disruptions from various events beyond our control, including, but not limited to, war, acts of terrorism, natural disasters, epidemics, pandemics, telecommunication or electrical outages, computer viruses, a prolonged global failure of cloud services, and other coordinated cyber incidents. In addition, our operating equipment may not continue to perform as it has in the past, and there is a risk of equipment failure due to wear and tear, latent defect, design or operator errors or early obsolescence.

Compliance with laws and regulations governing the processing of personal data and information may impede our services or result in increased costs. The failure to comply with such data privacy laws and regulations could result in material fines or penalties imposed by data protection or financial services conduct regulators and/or awards of civil damages and any data breach may have an adverse effect on our reputation, results of operations or financial condition, or have other adverse consequences.

Our business relies on the processing of data in many jurisdictions and the movement of data across national borders. The collection, storage, handling, disclosure, use, transfer and security of personal information that occurs in connection with our business is subject to federal, state and foreign data privacy laws. These legal requirements are not uniform and continue to evolve, and regulatory scrutiny in this area is increasing around the world. In many cases, these laws apply not only to third party transactions, but also to transfers of information among us and our subsidiaries. Privacy and data protection laws may be interpreted and applied differently from country to country and may create inconsistent or conflicting requirements.

The General Data Protection Regulation (the "**GDPR**") came into force throughout the European Union in May 2018 and has extra-territorial effect. It requires all companies processing data of European Union citizens to comply with the GDPR, regardless of the company's location. It also imposes obligations on European Union companies processing data of non-European Union citizens. The GDPR imposes new requirements regarding the processing of personal data and confers new rights on data subjects including the "right to be forgotten" and the right to "portability" of personal data. The GDPR imposes significant punishments for non-compliance which could result in a penalty of up to 4% of a company's global annual revenue.

Compliance with the enhanced obligations imposed by the GDPR requires investment in appropriate technical or organizational measures to safeguard the rights and freedoms of data subjects, may result in significant costs to our business and may require us from time to time to further amend certain of our business practices. Enforcement actions, investigations and the imposition of substantial fines and penalties by regulatory authorities as a result of data security incidents and privacy violations increased dramatically during 2018. The enactment of more restrictive laws, rules, regulations, or future enforcement actions or investigations could impact us through increased costs or restrictions on our business, and noncompliance could result in regulatory penalties, significant legal liability, and reputational damage and cause us to lose business.

Additionally, the Bermuda PIPA, which came into effect January 1, 2025, regulates the use of personal information to protect the privacy of individuals. PIPA applies to every organization (any individual, entity or public authority including a Bermuda insurer) that uses personal information in Bermuda. PIPA imposes certain personal information use rules, limitations, prohibitions and other prescriptions upon organizations that require monitoring and compliance.

Unauthorized disclosure or transfer of sensitive or confidential client or company data, whether through systems failure, employee negligence, fraud or misappropriation, by us or other parties with whom we do business, could subject us to significant litigation, monetary damages, regulatory enforcement actions, fines and criminal prosecution in one or more jurisdictions. Such events could also result in negative publicity and damage to our reputation and cause us to lose business, which could therefore have an adverse effect on our results of operations.

We intend to incur indebtedness which may result in our company or our operating subsidiaries being subject to certain covenants that restrict our ability to engage in certain types of activities or to make distributions to our shareholders.

Many of our operating subsidiaries have entered or will enter into credit facilities or have incurred or may incur other forms of debt, including the Brookfield Credit Agreement and other third-party credit facilities. The Brookfield Credit Agreement provides that the lender is entitled to consent to any decision made by our Board to approve any action by our company, that constitutes, or could reasonably be expected to constitute, a material change in the nature of our company's business, including any material change in the leverage profile of our company or any action that results, or could reasonably be expected to result, in a downgrade to any credit rating held by our company or any of its subsidiaries, as applicable.

Our company's credit facilities also contain other covenants applicable to the relevant borrower and events of default. Covenants can relate to matters including limitations on financial indebtedness, distributions, acquisitions, or minimum amounts for net worth. If an event of default occurs, or minimum covenant requirements are not satisfied, this can result in a requirement to immediately repay any drawn amounts or the imposition of other restrictions including a prohibition on the payment of distributions to our shareholders.

The completion of inorganic growth initiatives, including executing future reinsurance arrangements and acquiring interests in existing reinsurance or insurance platforms, would significantly increase the scale and scope of our operations, which we may have difficulty managing, and which may involve risks to our business.

A key part of our growth strategy will involve executing new PRT arrangements and reinsurance transactions, and may also include the acquisition of, or the making of material investments in, existing reinsurance and insurance businesses. Such initiatives, if successful, would significantly increase the scale, scope and diversity of our business. While we have reviewed and successfully executed transactions in the past to facilitate our growth, we may not be successful in executing on future opportunities for a variety of reasons.

We routinely review potential PRT arrangements, reinsurance transactions, partnership opportunities and other investment opportunities to grow our business, some of which may be material. There can be no assurance that any discussions will lead to definitive agreements or, if such agreements are reached, that any transactions will be consummated. Even if we identify suitable opportunities on terms acceptable to us, we may be unable to consummate these transactions due to required regulatory approvals or other reasons, many of which are outside of our control. If we are unable to successfully transact on inorganic growth opportunities on terms acceptable to us, it may result in an adverse effect on our business, financial condition, results of operations and future growth opportunities.

In addition, we face risks associated with managing liabilities we assume through inorganic growth transactions, such as maintaining adequate personnel and operational systems to manage such liabilities. A change in the operating systems we use to manage our liabilities, and/or the personnel responsible for overseeing such systems and administering the related policies, could disrupt our ability to adequately monitor and report our liabilities and administer these policies. As a result of such disruption, we may experience customer or counterparty complaints, regulatory intervention, or other adverse effects. As a result of the foregoing, we may realize materially less than the anticipated financial benefits from reinsurance transactions, or our reinsurance transactions may be unprofitable or result in losses.

Future growth will likely involve some or all of the following risks, which could have an adverse effect on our business, financial condition or results of operations: the difficulty of integrating the acquired operations and personnel into our current operations; potential disruption of our current operations; diversion of resources; the difficulty of managing the growth of a larger organization; the risk of entering markets in which we have little experience; the risk of becoming involved in labor, commercial or regulatory disputes or litigation related to the new enterprise; risk of other liabilities associated with the acquired business; and the risk of a change of control resulting from an acquisition triggering rights of third parties or government agencies under contracts with, or authorizations held by the business being acquired. While we intend to conduct extensive due diligence investigations into portfolios and businesses being acquired, it is possible that due diligence may fail to uncover all material risks, or to identify a change of control trigger in a material contract or authorization, or that a contractual counterparty or government agency may take a different view on the interpretation of such a provision to that taken by us, thereby resulting in a dispute.

We may require additional capital in the future, including to fund future growth, which may not be available or may only be available on unfavorable terms, including as a result of increasing barriers to free trade and the free flow of capital and fluctuations in the financial markets.

Our future capital requirements depend on many factors, including regulatory requirements, the nature of any future business we write and the requirement to hold appropriate capital against the liabilities we assume thereunder, the amount of which is determined based on a variety of risks inherent in our transactions including, credit risk, interest rate risk, insurance risk and operational risk, among others. Furthermore, in order to write or assume new business through our licensed operating subsidiaries, we need sufficient capital to be held by these entities. Our ability to move capital to or from these entities without adverse consequence may be limited by regulatory restrictions on dividends from our other subsidiaries, restrictions on intercompany transactions more generally, tax consequences or other considerations.

Any equity or debt financing, if available at all, are subject to market factors outside of our control and may be transacted on unfavorable terms. Any disruption in the financial markets may limit our ability to access capital required to operate our business, and we may be forced to delay raising capital or bear a higher cost of capital, which could decrease our profitability and significantly reduce our financial flexibility. For instance, prolonged and severe disruptions in the overall public and private debt and equity markets, such as occurred during 2008**,** and in connection with COVID-19, could result in an inability to access capital and the incurrence of significant realized and unrealized losses. Public and private debt and equity markets may experience disruption in individual market sectors, such as has occurred in the energy sector. If we cannot obtain adequate capital on favorable terms or at all, our business, results of operations and financial condition could be adversely affected.

In addition, political initiatives to restrict free trade and the renegotiation and/or potential termination of existing bilateral and multilateral trade arrangements, could adversely affect the insurance industry and our business. The insurance industry is disproportionately impacted by restraints on the free flow of capital and risk because the value it provides depends on the ability to globally diversify risk.

Given ongoing global economic uncertainties, evolving market conditions may affect our results of operations, financial position and capital resources. In the event that there is deterioration or volatility in financial markets or general economic conditions, it may result in an adverse effect on our results of operations, financial position, and capital resources.

Brookfield Corporation has provided our company with a $2 billion equity commitment to fund future growth as well as a revolving credit facility in the amount of $400 million for working capital purposes, each of which we may draw on from time to time. Our company has also established credit facilities with third-party lenders. To the extent our operations do not generate sufficient operating cash flow to fund working capital, we intend to use these sources of liquidity for working capital purposes and to fund distributions. We may also use these sources of liquidity to fund growth capital investments and acquisitions.

Our company may suffer a significant loss resulting from fraud, bribery, corruption, other illegal acts, inadequate or failed internal processes or systems, or from external events.

Our company may suffer a significant loss resulting from fraud, bribery, corruption, other illegal acts by our company's employees or those of companies providing services to our company, including Brookfield, inadequate or failed internal processes or systems, or from external events, such as security threats affecting our ability to operate. Both Brookfield and our company operate in different markets and rely on our company's employees to follow our company's policies and processes as well as applicable laws in their activities. Risk of illegal acts or failed systems is managed through our company's infrastructure, controls, systems and people, complemented by a focus on enterprise-wide management of specific operational risks such as fraud, bribery and corruption, as well as personnel and systems risks. Specific programs, policies, standards and methodologies have been developed to support the management of these risks. However, these cannot guarantee that such conduct does not occur and if it does, it can result in direct or indirect financial loss, reputational impact or regulatory consequences.

Our company's business is at risk of becoming involved in disputes and possible litigation.

Our company's business is at risk of becoming involved in disputes and possible litigation, the extent of which cannot be ascertained. Any material or costly dispute or litigation could have an adverse effect on the current value or future financial performance of our company. In addition, as a result of the actions of the operating subsidiaries, our company could be subject to various legal proceedings. The final outcome of any proceeding could have a negative impact on the business, financial condition or results of operations of our company during a given quarter or financial year.

Our company may be subject to negative publicity in the insurance industry.

From time to time, the participants in the insurance industry have been subject to investigations, litigation and regulatory scrutiny by various insurance, governmental and enforcement authorities concerning certain industry practices. In particular, financial services companies have been the subject of broad industry inquiries by state regulators and attorneys general that do not appear to be company-specific, such as those concerning business practices upon notification of death. We may receive inquiries and informational requests from insurance regulators and other government agencies in the jurisdictions in which our company operates. In addition, consumer advocacy groups or the media may also focus attention on certain insurance industry practices. We cannot predict the effect that investigations, litigation or regulatory activity or negative publicity from consumers or the media will have on the reinsurance and insurance industry or our company. However, press coverage and other public statements that assert some form of wrongdoing, regardless of the factual basis for the assertions being made, could result in inquiry or investigation by regulators, legislators and/or law enforcement officials or in lawsuits. The involvement of our company in any investigations or litigation would cause our company to incur legal costs and can divert the time and effort of senior management, and if our company was found to have violated any laws, we could be required to pay fines and damages, potentially in material amounts. Our company could also be adversely affected by negative publicity and the implementation of any new industry-wide regulations that may result from such publicity which could increase the regulatory burdens under which our company operates. Adverse publicity can also have an adverse effect on our reputation, the morale and performance of employees, and on business retention, which could adversely affect our results of operations.

Risks Relating to Our Acquisitions

We may be unable to complete acquisitions and other transactions as planned.

Our acquisitions and other transactions are subject to a number of closing conditions, including, as applicable, security holder approval, regulatory approval and other third party consents and approvals that are beyond our control and may not be satisfied. Consents and approvals may not be obtained, may be obtained subject to conditions which adversely affect anticipated returns, and/or may be delayed and delay or ultimately preclude the completion of acquisitions and other transactions. Government policies and attitudes in relation to foreign investment may change, making it more difficult to complete acquisitions and other transactions in such jurisdictions. Furthermore, interested stakeholders could take legal steps to prevent transactions from being completed. If all or some of our acquisitions, dispositions and other transactions are unable to be completed on the terms agreed, we may need to modify or delay or, in some cases, terminate these transactions altogether, the market value of our exchangeable shares may significantly decline and we may not be able to achieve the expected benefits of the transactions.

We may not realize the anticipated benefits of our acquisitions.

We may fail to realize some or all of the anticipated benefits of our recent acquisitions including as a result of potential unknown liabilities and expenses within the business that were not identified by us during due diligence, or because of changes in our business or the business or industry of the acquired company. Furthermore, the size and complexity of our business may increase significantly as a result of our acquisitions, and we may be exposed to additional risk factors that we are not exposed to through our existing business. Our future success depends, in part, upon our ability to manage our expanded business, and mitigate such risk factors, which may pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity.

Failure to complete the Just Acquisition could negatively impact the future business and financial results of our company.

The closing of our company's proposed acquisition of the entire issued and to be issued share capital of Just Group at 220 pence per Just Group share in a transaction that values Just Group at approximately £2.4 billion (the "Just Acquisition") is subject to satisfaction or waiver of a number of customary closing conditions. Although we expect that the Just Acquisition will close on or about April 1, 2026, there is no guarantee that the Just Acquisition will close on such timeline, or at all. If the Just Acquisition is not completed, the ongoing businesses of our company may be adversely affected and our company will be subject to several risks, including (i) having to pay certain costs relating to the Just Acquisition, such as legal, accounting, financial advisor, filing, printing and mailing fees; and (ii) the focus of management on the Just Acquisition instead of on pursuing other opportunities that could be beneficial; in each case, without realizing any of the benefits of having the Just Acquisition completed. In addition, if the Just Acquisition is not completed, our company may experience negative reactions from the financial markets and from regulators, rating agencies, prospective customers and counterparties and other insurance industry participants. If the Just Acquisition is not completed, these risks may still materialize and may adversely affect the business, financial results and stock prices of our company.

Risks Relating to General Economic Conditions

Changes in interest rates and credit spreads, which are out of our control, can adversely affect our financial condition and results of operations.

Interest rates have a significant impact on our business both in terms of consumer demand for our products and on our investment performance. Substantial and sustained increases or decreases in market interest rates could adversely affect our business, investment returns, financial condition, results of operations, liquidity and cash flows.

Rapidly rising interest rates could result in reduced persistency of our spread-based products if contract holders shift assets into higher yielding investments. Increasing rates on other insurance or investment products offered by competitors may also lead to higher surrenders by customers within certain segments of our insurance business. We may react to market conditions by increasing our crediting rates, which narrows our "spread," or the difference between the amounts we earn on investments and the amount we must pay under our contracts. In addition, an increase in market interest rates could reduce the value of certain of our investments held as collateral under reinsurance agreements and require us to provide additional collateral, thereby reducing our available capital and potentially creating a need for additional capital which may not be available to us on favorable terms, or at all.

During periods of prolonged low interest rates, investment earnings may be lower because the interest earned on floating rate fixed income investments will likely have declined with the market interest rates, which in turn may impact the performance of our business. Further, we may also be forced to reinvest proceeds from investments that have matured or have been prepaid or sold at lower yields, which will reduce our "net investment spread" or the difference between the amounts that we are required to pay under the contracts in our general account and the rate of return we earn on general account investments intended to support the obligations under such contracts. A decline in market interest rates or credit spreads could have an adverse effect on our investment income as we invest cash in new investments that may earn less than the portfolio's average yield. Although during such periods we may seek to mitigate the impact of low interest rates through actions such as reducing the guaranteed minimum crediting rates on new fixed annuity contracts and reducing crediting rates on in-force contracts, where permitted to do so, there is no guarantee that such actions may completely offset the impact of a low interest rate, and our sales volume may be negatively impacted as a result. Our ability to decrease product crediting rates in response may be limited by market and competitive conditions and by regulatory or contractual minimum rate guarantees. Furthermore, a low-interest rate environment with reduced investment market returns could encourage alternative capital providers to enter the insurance market in order to achieve higher returns. This could have the effect of increasing the level of competition in the insurance market and applying pressure on premiums, which could affect the gross written premium that we are able to generate.

A gradual increase in longer-term interest rates relative to short-term rates generally will have a favorable effect on the profitability of products within our insurance business – particularly interest-sensitive life insurance and fixed annuities.

While we maintain a diversified investment portfolio comprised of assets with various maturities to support product liabilities and ensure liquidity and use asset liability management processes to mitigate the effect on our spreads of changes in interest rates, they may not be fully effective.

The interest rate environment affects estimated future profit projections, which could impact the estimates of policyholder liabilities within our insurance business. Significantly lower future estimated profits may require us to establish additional policyholder liabilities, thereby reducing earnings. We periodically review assumptions with respect to future earnings to ensure they remain appropriate considering the current interest rate environment.

Fluctuations in credit spreads can also contribute to the industry's cyclicality and may have an adverse effect on our investment performance including investment income or cause realized and unrealized losses. We are subject to risks associated with potential declines in credit quality related to specific issuers or specific industries and a general weakening in the economy, which are typically reflected through credit spreads. Our exposure to credit spreads primarily relates to market price volatility and investment risk associated with the fluctuation in credit spreads. Credit spreads increase or decrease in response to the market's perception of risk and liquidity of a specific issuer or specific sector and are influenced by the credit ratings, and the reliability of those ratings, published by external rating agencies. Widening credit spreads may cause unrealized losses in our investment portfolio and increase losses associated with written credit protection derivatives used in replication transactions. Increases in credit spreads of issuers due to credit deterioration may result in higher levels of impairments. Tightening credit spreads may reduce our investment income and cause an increase in the reported value of certain liabilities that are valued using a discount rate that reflects our own credit spread.

One key factor that contributes to the cyclicality of insurers' underwriting results are interest rate movements. In a high-interest rate environment, increased investment returns may reduce insurers' required contribution from underwriting performance to achieve an attractive overall return. This may result in a less-disciplined approach to underwriting in the market generally as some underwriters could be inclined to offer lower premium rates to generate more business. An increase in market interest rates or credit spreads could also have an adverse effect on the value of our investment portfolio by decreasing the fair values of the fixed income securities in our investment portfolio. Further, an increase in market interest rates could reduce the value of certain of our alternative investments held as collateral under reinsurance agreements and require us to provide additional collateral, thereby reducing our available capital and potentially creating a need for additional capital which may not be available to us on favorable terms, or at all.

General economic and business conditions that impact the debt or equity markets could impact our ability to access credit markets.

General economic and business conditions that impact the debt or equity markets could impact the availability of credit to, and cost of credit for, our company. Actions to reduce inflation, including raising interest rates, increase our cost of borrowing, which in turn could make it more difficult to obtain financing for our operations or investments on favorable terms. We utilize bilateral revolving credit facilities and other short-term borrowings and the amount of interest charged on these facilities will fluctuate based on changes in underlying short-term interest rates. Any economic event that affects interest rates or the ability to refinance borrowings could adversely impact our financial condition. Continued movements in interest rates could also affect the discount rates used to value our assets, which in turn could cause their valuations to be reduced resulting in a material reduction in our equity value.

In addition, some of our operations either currently have a credit rating or may have a credit rating in the future. A credit rating downgrade may result in an increase in the cost of debt for the relevant businesses and reduced access to debt markets.

Some assets in our portfolio have a requirement for significant capital expenditure. For other assets, cash, cash equivalents and short-term investments combined with cash flow generated from operations are believed to be sufficient for it to make the foreseeable required level of capital investment. However, no assurance can be given that additional capital investments will not be required in these businesses. If we are unable to generate enough cash to finance necessary capital expenditures through operating cash flow, then we may be required to issue additional equity or incur additional indebtedness. The issue of additional equity would be dilutive to existing unitholders at the time. Any additional indebtedness would increase our leverage and debt payment obligations, and may negatively impact our business, financial condition and results of operations.

Our business relies on continued access to capital to fund new investments and capital projects. While we aim to prudently manage our capital requirements and ensure access to capital is always available, it is possible we may overcommit ourselves or misjudge the requirement for capital or the availability of liquidity. Such a misjudgment may require capital to be raised quickly and the inability to do so could result in negative financial consequences or in extreme cases, bankruptcy.

Foreign exchange rate fluctuations could adversely impact our aggregate foreign currency exposure and hedging strategies may not be effective.

We have pursued and intend to continue to pursue growth opportunities in international markets, and often deploy capital in countries where the U.S. dollar is not the local currency. As a result, we are subject to foreign currency risk due to potential fluctuations in exchange rates between foreign currencies and the U.S. dollar.

In some instances, a significant depreciation in the value of the currency utilized in one or more countries where we have a significant presence may have an adverse effect on the results of our operations and financial position. In addition, we are active in certain markets where economic growth is dependent on the price of commodities and the currencies in these markets can be more volatile as a result.

Our business and our managed assets are impacted by changes in currency rates, interest rates, commodity prices and other financial exposures. We selectively utilize financial instruments to manage these exposures, including other derivatives to hedge certain of our financial positions. However, a significant portion of these risks may remain unhedged.

There is no assurance that hedging strategies, to the extent they are used, will fully mitigate the risks they are intended to offset. Additionally, derivatives that we use are also subject to their own unique set of risks, including counterparty risk with respect to the financial well-being of the party on the other side of these transactions and a potential requirement to fund mark-to-market adjustments. Our financial risk management policies may not ultimately be effective at managing these risks.

Dodd-Frank and similar laws in other jurisdictions impose rules and regulations governing oversight of the over-the-counter derivatives market and its participants. These regulations may impose additional costs and regulatory scrutiny on us in the future and may require us to hold larger positions in cash and treasuries, which could reduce income. We cannot predict the effect of changing derivatives legislation on our hedging costs, our hedging strategy or its implementation, or the risks that we hedge. Regulation of derivatives may increase the cost of derivative contracts, reduce the availability of derivatives to protect against operational risk and reduce the liquidity of the derivatives market, all of which may reduce our use of derivatives and result in the increased volatility and decreased predictability of our cash flows.

Inflation may adversely affect the profitability of our businesses and results of operations.

Our operating businesses are impacted by inflationary pressures. While inflation has eased and central banks began reducing interest rates in the second half of 2024, past price increases continue to affect households and weigh on confidence and spending power. The potential for increased tariffs and trade barriers, as well as increased geopolitical risks, adds uncertainty to the long-term outlook for inflation and interest rates and a reacceleration of inflation could trigger a reversal in recent interest rate decreases. Interest rate increases or other government actions taken to reduce inflation could also result in recessionary pressures in many parts of the world. Interest rate risk poses a significant market risk to us as a result of interest rate-sensitive assets and liabilities held by us and our operating business. Higher interest rates or elevated interest rates for a sustained period could also result in an economic slowdown. Economic contraction or further deceleration in the rate of growth in certain industries, sectors or geographies may contribute to poor financial results at our operating businesses.

Continued rising inflation could adversely impact returns on our investment portfolio and results of operations. The effects of inflation can increase expense risk, resulting in increased costs in servicing and maintaining insurance, savings or reinsurance contracts, including direct expenses and allocations of overhead costs. Failure to accurately factor in continued rising inflation in our pricing assumptions may result in mispricing of our businesses' products, which could adversely impact our results of operations. In addition, inflation can also impact our investment portfolio rate of return and corresponding investment income.

All of our company's operating subsidiaries are subject to general economic and political conditions and risks relating to the markets in which our company operates.

The industries in which our company operates are impacted by political and economic conditions, and in particular, adverse events in financial markets, which may have a significant effect on global or local economies. Some key impacts of general financial market turmoil include contraction in credit markets resulting in a widening of credit spreads, devaluations and enhanced volatility in global equity, commodity and foreign exchange markets and a general lack of market liquidity. A slowdown in the financial markets or other key measures of the global economy or the local economies of the regions in which our company operates, including, but not limited to, employment rates, business conditions, inflation, lack of available credit, the state of the financial markets, interest rates and tax rates may adversely affect our company's growth and profitability.

The demand for services provided by our company's operating subsidiaries are, in part, dependent upon and correlated to general economic conditions and economic growth of the regions in which our operating subsidiaries conduct business. Poor economic conditions or lower economic growth in a region or regions may, either directly or indirectly, reduce demand for the services provided by our company.

In addition, our company may be affected by political uncertainties, which may have global repercussions, including in markets where our company currently operates or intends to expand into the future. The uncertainties include geopolitical concerns and other global events, including, without limitation, trade conflict, civil unrest, national and international political circumstances (including outbreak of war, terrorist acts or security operations) and pandemics or other severe public health events, that have contributed (and may continue to contribute) to volatility in global equity and debt markets. For example, the ongoing war between Russia and Ukraine and ongoing conflicts in the Middle East and the global response to each, including the imposition of widespread economic and other sanctions, has significantly impacted the global economy and financial markets.

We may incur significant losses resulting from catastrophic events, including natural disasters, public health crises, illness, epidemics or pandemics and their related effects.

Our business could be exposed to effects of catastrophic events, including natural disasters, pandemics, and epidemics, which could adversely affect our results of operations and financial condition due to disruptions to commerce, reduced economic activity and other unforeseen consequences that are beyond our control.

Certain of our property and casualty products and services are exposed to catastrophe related losses caused by natural events, such as floods, hurricanes, tornadoes, wildfires, droughts, earthquakes, snow, hail and windstorms, and manmade events, such as terrorism, riots, explosions, hazardous material releases, and utility outages. Our life, annuity and health products and services are exposed to the risk of catastrophic mortality or illness, such as a pandemic, an outbreak of an easily communicable disease, or another event that causes a large number of deaths or high morbidity. Certain of our investments are also exposed to catastrophes, including certain of our real estate and infrastructure investments. Our operating results may vary significantly from one period to the next since the likelihood, timing, severity, number or type of catastrophe events cannot be accurately predicted. Our losses in connection with catastrophic events are primarily a function of the severity of the event and the amount of our exposure in the affected area. Although we will actively manage our risk exposure to catastrophes through underwriting limits and processes, and further mitigate risk of loss through the purchase of reinsurance protection and other hedging instruments, an especially severe catastrophe or series of catastrophes could exceed our reinsurance or hedging protection and may have an adverse impact on our business, results of operations and/or financial condition.

Climate change, and increasing regulation with respect to climate change, may adversely impact our results of operations.

The rise in the frequency of extreme weather events has increased natural disaster-related insurance claims, particularly from underwriting property insurance, requiring us to consider changes in premiums, product coverages, underwriting practices, and reinsurance utilization. There are concerns that the increased frequency and severity of weather-related catastrophes, such as floods, hurricanes and wildfires, and the corresponding increase in losses incurred by the industry in recent years, are indicative of changing weather patterns, whether as a result of global climate change caused by human activities or otherwise, which could cause such events to persist. Increased weather-related catastrophes would lead to higher overall losses, which we may not be able to recoup, particularly in a highly regulated and competitive environment, and higher reinsurance costs. Increased weather-related catastrophes could also result in increased credit exposure to reinsurers and other counterparties with which we do business. Certain catastrophe models assume an increase in frequency and severity of certain weather or other events, which could result in a disproportionate impact on insurers with certain geographic concentrations of risk. This would likely increase the risks of writing property insurance in coastal areas or areas susceptible to wildfires or flooding, particularly in jurisdictions that restrict pricing and underwriting flexibility. The threat of rising seas or other catastrophe losses as a result of climate change may also cause property values in coastal or such other communities to decrease, reducing the total amount of insurance coverage that is required. Climate change-related risks also present challenges to our ability to effectively underwrite, model and price risk. The effects of climate change could also lead to increased credit risk of other counterparties we transact business with, including reinsurers.

In addition, climate change could have an impact on assets in which we invest, resulting in realized and unrealized losses in future periods that could have an adverse impact on our results of operations and/or financial position. Such investment risks can include, but are not limited to, changes in supply and demand characteristics for fossil fuels, advances in low-carbon technology and renewable energy development, effects of extreme weather events on the physical and operating exposure of industries and issuers, and the transition that issuers make towards addressing climate risk in their own businesses. It is not possible to foresee with certainty which, if any, assets, industries or markets will be adversely affected, nor is it possible to foresee the magnitude of such effect.

We are subject to complex and changing regulation and public policy debates relating to climate change that are difficult to predict and quantify and that may have an adverse impact on our business. We cannot predict how legal, regulatory and social responses to concerns about climate change will impact our business or the value of our investments.

All of our company's operating subsidiaries are subject to changes in government policy and legislation.

Our financial condition and results of operations could also be affected by changes in economic or other government policies or other political or economic developments in each country or region, as well as regulatory changes or administrative practices over which our company has no control such as: the regulatory environment related to our company's business operations, concession agreements and periodic regulatory resets; interest rates; benchmark interest rate reforms; currency fluctuations; exchange controls and restrictions; inflation; tariffs; liquidity of domestic financial and capital markets; policies relating to tax; and other political, social, economic, and environmental developments that may occur in or affect the countries in which our company's operating subsidiaries are located or conduct business or the countries in which the customers of our company's operating subsidiaries are located or conduct business or both. For a description of insurance regulations, see Item 3.D "*Risk Factors — Risks Relating to Regulation — Our insurance business is highly regulated, and such regulation and any supervisory and enforcement policies, or changes thereto, may materially impact our capitalization or cash flows, reduce our profitability and limit our growth*".

In addition, operating costs can be influenced by a wide range of factors, including the need to comply with the directives of central and local government authorities. It is difficult to predict government policies and what form of laws and regulations will be adopted or how they will be construed by the relevant courts, or the extent to which any changes may adversely affect our company. Any reforms to benchmark interest rates could create significant risks and challenges for our company and our operating subsidiaries. The discontinuance of, or changes to, benchmark interest rates require adjustments to agreements to which our company and other market participants are parties, as well as to related systems and processes.

Risks Relating to Our Investments

We could suffer losses if our investment strategy is unsuccessful.

The success of our investment strategy is central to the success of our business, and there can be no guarantee that we will be able to achieve any particular return for our investment portfolio in the future. In particular, we structure our investments to take into account and appropriately match our anticipated liabilities under our reinsurance contracts. There is no guarantee that our investment strategy will be successful, or that we will be able to originate future investment opportunities that are appropriately matched to our current and future liabilities. A failure to source attractive investment opportunities or to deploy our assets in line with our investment strategy would have a significant and adverse effect on our investment returns, and in turn on our operations and financial performance.

If our investments underperform or if they are not adequately structured to match our liabilities, we may be forced to liquidate investments prior to maturity at a significant loss or we may be forced to reinvest cash flows from our investments at a potentially lower yield than anticipated. Additionally, a portion of our investment portfolio is considered less liquid and may be more difficult to value. As a result, we may fail to properly value, and may not be able to realize our full carrying value in, such instruments.

The success of any investment activity is affected by general economic conditions. General economic conditions may adversely affect the markets for corporate debt securities and structured securities such as commercial mortgage-backed or other asset backed securities. Unexpected volatility or illiquidity in the markets in which we directly or indirectly hold positions could adversely affect us.

Before making investments, we typically undertake a robust due diligence process. However, the due diligence process may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunity, and, as a result, our results of operations, financial condition and cash flows may be adversely affected.

We are exposed to counterparty credit risk which, in turn, increases our exposure to liabilities.

We are exposed to counterparty credit risk, which is the uncertainty of whether a counterparty will honor its obligation under the terms of a security, loan or contract. While we undertake extensive diligence on all credit investments and creditworthiness of our borrowers or investment counterparties, we are exposed to the risks of missed payment, default loss or investment underperformance due to credit risk. We have counterparty credit risk with other companies through reinsurance, including as that term is defined for U.S. statutory purposes.

We also have exposure to many other counterparties, including in the financial services industry. Many of these transactions expose us to credit risk in the event of default of our counterparty, either with respect to insufficient collateral that cannot be realized or is liquidated at prices not sufficient to recover the full amount of the related loan or derivative exposure, or in the case of default of unsecured debt instruments or derivative transactions. Our derivative counterparties may fail to perform. Our efforts to maintain quality and credit exposure concentration limits may be inadequate to mitigate this risk. Counterparties' failure to deliver on their derivative instrument obligations may impose costs on us to fund index credits on our fixed index annuities. We may be unable to enforce our counterparties' obligations to post collateral to secure their obligations to us. Among other things, a downturn in the U.S. or other economies could increase any or all of these risks.

Our valuation of securities and investments, as well as the determination of the amount of allowances and impairments taken on our investments are subjective and, if changed, could adversely affect our results of operations or financial condition.

Valuations of the investments, including any property received in exchange for any investments, that are calculated will be done in good faith in accordance with guidelines prepared in accordance with U.S. GAAP. Valuations are subject to determinations, judgments, projections and opinions, and third parties or investors may disagree with such valuations. Accordingly, the carrying value of an investment will not necessarily reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. We generally will not, unless otherwise required to pursuant to applicable law and/or regulation, seek an independent view, opinion, support and/or appraisal for such valuation determinations.

During periods of market disruption, including periods of significantly rising or high interest rates, rapidly widening credit spreads or illiquidity, it may be difficult to value certain of our securities, including fixed maturity and equity securities as well as short-term investments that are reported at estimated fair value, if trading becomes less frequent and/or market data becomes less observable. In addition, in times of financial market disruption, the valuation process for certain asset classes that were in active markets with observable valuations may include inputs that are less observable and require more subjectivity and management judgment. Valuations may result in estimated fair values which vary significantly from the amount at which the investments may ultimately be sold. Further, rapidly changing and unprecedented credit and equity market conditions could materially impact the valuation of securities as reported within our consolidated financial statements and the period to period changes in estimated fair value could vary significantly. Decreases in the estimated fair value of securities we hold may have an adverse effect on our financial condition.

The determination of the amount of allowances and impairments varies by investment-type and is based upon our periodic evaluation and assessment of known and inherent risks associated with the respective asset class. However, historical trends may not be indicative of future impairments or allowances and any such future impairments or allowances could have an adverse effect on our earnings and financial position.

We have a risk management framework in place to identify, assess and prioritize risks, including the market and credit risks to which our investments are subject. As part of that framework, we test our investment portfolio based on various market scenarios. Under certain stressed market scenarios, unrealized losses on our investment portfolio could lead to material reductions in its carrying value. Under some extreme scenarios, total shareholders' equity could be negative for the period of time prior to any potential market recovery.

Our investment portfolio may be subject to concentration risk, which could threaten our financial condition.

Concentration risk arises from exposure to significant asset defaults of a single issuer, industry or class of securities, based on economic conditions, geography or as a result of adverse regulatory or court decisions. When an investor's assets are concentrated and that particular asset or class of assets experiences significant defaults, the default of such assets could threaten the investor's financial condition, results of operations and cash flows. Although we seek to mitigate concentration risk through our investment policies and guidelines, there is no assurance that we will be successful in managing this risk.

A number of our company's assets are illiquid, and our company may be required to dispose of such assets if there is significant amount of unanticipated policyholder withdrawal or lapse activity or to meet our reinsurance or other obligations.

Our company strives to maintain a sufficient level of liquidity to support the risk of withdrawal or lapse activity with our insurance business. However, in order to provide necessary long-term returns and achieve our strategic goals, a portion of our assets are relatively illiquid. Many of our investments are in securities that are not publicly traded or that otherwise lack liquidity, such as our privately placed fixed maturity securities, below investment grade securities, investments in mortgage loans and alternative investments. In addition, our liquid assets may experience reduced liquidity during periods of market volatility or disruption.

If there is a significant amount of unanticipated policyholder withdrawal or lapse activity, our company may be required to dispose of such illiquid assets on unfavorable terms. For example, reinsurance agreements may provide for recapture rights on the part of the ceding company and may require that we hold or provide collateral to support performance of our reinsurance commitments. We may be forced to sell investments as a result of a lapse or surrender of all or some of the policies underlying reinsurance treaties or as a result of the need to hold additional collateral that meets the associated investment guidelines. If we were forced to sell certain of our assets, there can be no assurance that we would be able to sell them for the values at which such assets are recorded and we might be forced to sell them at significantly lower prices. In addition, in many cases we may be prohibited by contract or applicable securities laws from selling such securities for a period of time. When we hold a security or position, it is vulnerable to price and value fluctuations and may experience losses if we are unable to timely sell, hedge or transfer the position. Thus, it may be impossible or costly for us to liquidate positions rapidly in order to meet unexpected withdrawal or recapture obligations. If we are unable to liquidate assets to offset withdrawal or lapse activity, it could have an adverse effect on our financial position and results of operations, as well as our financial ratios, which could affect compliance with our credit instruments and rating agency capital adequacy measures.

Our investments are subject to credit risk, market risk, servicing risk, loss from catastrophic events and other risks, which could diminish the value that we obtain from such investments.

Our investments are impacted by various economic conditions and events outside of our control that are difficult to quantify or predict, which may have a significant impact on the valuation of our investments and, therefore, on the investment income we realize and our results of operations and financial condition.

Our investments are subject to risks of changes in market values and credit defaults. Periods of macroeconomic weakness or recession, volatility or disruption in the financial and credit markets could increase these risks and could potentially result in impairment of assets in our investment portfolio. In addition, the impact of political developments or tension, including any resulting sanctions, trade barriers or other restrictive actions that may be imposed by countries against governmental or other entities in other countries, also could lead to disruption, instability and volatility in the global markets, which may have an impact on our investments across negatively impacted sectors or geographies.

We are also subject to the risk that cash flows generated from the collateral underlying the structured products we own may differ from our expectations in timing or amount. In addition, many of our classes of investments, but in particular our alternative investments, may produce investment income that fluctuates significantly from period to period. Any event reducing the estimated fair value of these securities, other than on a temporary basis, could have an adverse effect on our business, results of operations, financial condition, liquidity and cash flows.

Certain of our investments are linked to real estate, including fixed maturity and equity securities such as commercial mortgage-backed securities and commercial mortgage loans. Defaults by third parties in the payment or performance of their obligations underlying these assets could reduce our investment income and realized investment gains or result in the recognition of investment losses. In addition, changes in laws and other regulatory developments relating to the mortgage loans may impact the investments of our portfolio linked to real estate in the future. Additionally, cash flow variability arising from an unexpected acceleration in the rate of mortgage prepayments can be significant, and could cause a decline in the estimated fair value of certain "interest only" securities.

Control over the underlying assets in all of our real estate-related investments is exercised through servicers that we do not control. If a servicer is not vigilant in seeing that borrowers make their required periodic payments, borrowers may be less likely to make these payments, resulting in a higher frequency of delinquency and default. If a servicer takes longer to liquidate nonperforming mortgages, our losses related to those loans may be higher than we expected.

Our investments in assets linked to real estate are also subject to loss in the event of catastrophic events, such as earthquakes, hurricanes, floods, tornadoes and fires. Climate change has exacerbated these risks and is likely to further increase both the likelihood of occurrence and the magnitude of impact in future periods. While loss experience in the event of a catastrophic event is contingent upon many factors, including the insured status of the underlying property and the seniority of our investment, in the case of structured securities, a catastrophic event impacting one or more of the regions of our real estate investments may cause some portion of the invested in assets linked to real estate to become impaired, which may have an adverse impact on our financial condition and results of operations.

In addition to the credit and market risk that we face in relation to all of our real estate-related investments, certain of these investments may expose us to various environmental, regulatory or other risks. We are currently unable to predict the impact of such regulation on our business. Any adverse environmental claim or regulatory action against us resulting from our investments in real estate-related investments could adversely impact our reputation, business, financial condition and results of operations.

Our investment portfolio may include investments in issuers or assets outside the U.S., including emerging markets, which may be riskier than investments in U.S. issuers and assets.

We may invest in issuers or assets organized or located outside the U.S. that may involve heightened risks in comparison to the risks of investing in U.S. assets, including unfavorable changes in currency rates and exchange control regulations, reduced and less reliable information about issuers and markets, less stringent accounting standards, illiquidity of securities and markets, higher brokerage commissions, transfer taxes and custody fees, local economic or political instability and greater market risk in general. In particular, investing in issuers or assets located in emerging market countries involves additional risks, such as exposure to economic structures that are generally less diverse and mature than, and to political systems that can be expected to have less stability than, those of developed countries; national policies that restrict investment by foreigners in certain issuers or industries of that country; the absence of legal structures governing foreign investment and private property; an increased risk of foreclosure on collateral located in such countries; a lack of liquidity due to the small size of markets for securities of issuers located in emerging markets; and price volatility.

Risks Relating to Regulation

Our insurance business is highly regulated, and such regulation and any supervisory and enforcement policies, or changes thereto, may materially impact our capitalization or cash flows, reduce our profitability and limit our growth.

We are subject to extensive insurance laws and regulations that affect nearly every aspect of our business. We are also subject to additional laws and regulations administered and enforced by a number of different governmental authorities in the jurisdictions in which we operate. See Item 4.B *"Business Overview – Regulatory Framework".*

The laws and regulations applicable to us are complex and subject to change, and compliance is time consuming and personnel intensive. Changes in these laws and regulations, or interpretations by courts or regulators, may materially increase our costs of doing business and may result in changes to our practices that may limit our ability to grow and improve our profitability. Regulatory developments or actions against us could have an adverse financial effect and could harm our reputation. Among other things, we could be fined, prohibited from engaging in some or all of our business activities, or made subject to limitations or conditions on our business activities.

We face the risk that any particular regulator's or enforcement authority's interpretation of a legal issue may conflict with that of another regulator or enforcement authority or may change over time to our detriment. Regulatory investigations and examinations, which can be broad and unpredictable, may raise issues not identified previously and could result in new legal actions against us and industry-wide regulations that could adversely affect us. Further, we are experiencing increasing information requests from regulators without corresponding direct regulation being applicable to us, on issues such as climate change, cyber risks, artificial intelligence, operational resilience, diversity and our investments in certain companies or industries. Responding to such requests adds to our compliance costs.

Insurance company supervision and regulation is generally intended for the benefit of policyholders and creditors rather than shareholders or other investors of the business. Among other things, the insurance laws and regulations applicable to us may:

- impose rules and restrictions on the marketing, distribution, administration and amendment of our annuity products and insurance policies;
- require the maintenance of certain solvency levels, including minimum levels of capital and surplus;
- require the maintenance of target capital levels, general and long-term business minimum solvency margins, enhanced capital requirements and a minimum liquidity ratio;
- require periodic examinations of our financial condition;

- require local offices, representatives and activities to be conducted in the relevant jurisdiction;
- restrict agreements with large revenue-producing agents;
- require us to obtain licenses or authorizations from regulators;
- regulate transactions, including the use of funded reinsurance, investments in or transactions with affiliates or related parties and intra-group guarantees;
- in certain jurisdictions, restrict the payment of dividends or other distributions of capital;
- require the disclosure of financial and other information to regulators, including financial statements, financial conditions reports, and annual capital and solvency returns;
- impose restrictions on the nature, quality and concentration of investments;
- regulate the admissibility of assets and capital;
- provide for involvement in the payment or adjudication of claims beyond the terms of the policies;
- establish certain minimum operational requirements or customer service standards or lead time for notice of non-renewal or changes in terms and conditions; and
- allow for the performance of certain periodic examinations of its financial condition.

The impact of these regulations, including, in particular the restrictions on investments in affiliates or related parties, may have an adverse effect on our investment portfolio returns. As part of regular, mandated risk assessments, regulators may take steps that have the effect of restricting our business activities, which may in turn have a material impact on our ability to achieve growth objectives and earnings targets.

All of our insurance subsidiaries are subject to minimum capital and surplus requirements. Any failure to meet applicable requirements or minimum capital requirements could subject us to examination or corrective action by regulators, including limitations on our writing additional business or engaging in finance activities, additional supervision, receivership, or liquidation. U.K. prudential regulation has recently transitioned from the U.K. implementation of EU Solvency II to a new U.K. prudential regime for insurers commonly referred to as “Solvency UK”, which our U.K.-regulated life insurer is subject to. The Solvency UK regime has been implemented on a phased basis through a combination of legislative changes and PRA rulemaking, including changes to the calculation of the risk margin effective December 31, 2023 and reforms to the matching adjustment framework, together with related governance and reporting expectations, effective June 30, 2024. Further amendments to prudential requirements, reporting and supervisory expectations became effective from December 31, 2024. Regulatory materials supporting Solvency UK have continued to evolve, including PRA work in 2025 to restate elements of the former Solvency II framework into the PRA Rulebook, with certain related final rules and policy material scheduled to take effect from January 1, 2026. The PRA has also continued to review and consult on aspects of Solvency UK reporting and disclosure requirements following implementation. Implementation and ongoing embedding of Solvency UK (including any further changes to rules, reporting and supervisory expectations) may affect capital requirements, investment strategy (including the use of the matching adjustment, where applicable), risk management and reporting obligations, and may increase compliance costs and supervisory scrutiny. The level of capital required to be held by our U.K.-regulated life insurer may be affected by market movements (including interest rates and credit spreads), changes in assumptions and modelling, and regulatory interpretation.

In addition, each regulated insurance business we operate is subject to a number of restrictions on assets we may hold under relevant regulations and tax rules, and regulators may, as has happened in the past, alter such restrictions, thus potentially affecting our investment policy and any associated projected income or growth return from our investments. In addition, based on our perceived risk profile, regulators may require additional regulatory capital to be held by us (including as part of guidance provided by the regulator to us on a confidential basis), which, among other things, may affect the business we can write and the amount of dividends we are able to pay out.

From time to time, regulators may impose limitations or conditions on certain transactions, which may impact our ability to enter into such transactions and in turn impact our profitability and/or growth. Recently, the PRA has stated that it is undertaking an active policy review of the use of asset intensive reinsurance ("FundedRe") in the U.K. PRT market, which may result in the PRA imposing explicit limits on the size or structure of FundedRe arrangements, or introducing measures to address underestimation of risk and potential regulatory arbitrage. If the PRA's evolving supervisory approach results in less favorable prudential treatment of FundedRe, higher capital requirements, tighter structural constraints, additional governance and risk management expectations, limits on the use of FundedRe, or other constraints on the availability or economic attractiveness of FundedRe, our U.K.-regulated life insurers could be required to hold additional capital, adjust their reinsurance and investment strategies, which may impact their ability to write new bulk annuity business on competitive terms, which in turn could have an adverse effect on our business, results of operations, financial condition and prospects.

As a result, in connection with the conduct of our various businesses, we believe it is crucial to establish and maintain good working relationships with the various regulatory authorities having jurisdiction over our businesses. If those relationships and that reputation were to deteriorate, our businesses could be adversely affected. For example, we require various consents and approvals from our regulators, both with respect to transactions we enter into and in the ordinary course of the conduct of our businesses. If we fail to maintain good working relationships with our regulators, it may become more difficult or impossible for us to obtain those consents and approvals, either on a timely basis or at all.

The insurance industry has experienced substantial volatility as a result of investigations, litigation and regulatory activity by various insurance, governmental and enforcement authorities, concerning various practices within the insurance industry. If we or any of our subsidiaries were to be found to be in breach of any existing or new laws or regulations now or in the future, we would be exposed to the risk of intervention by regulatory authorities, including investigation and surveillance, and judicial or administrative proceedings. In addition, our reputation could suffer and we could be fined, sanctioned or suspended or prohibited from engaging in some or all of our business activities or could be sued by counterparties, as well as forced to devote significant resources to cooperate with regulatory investigations, any of which could have an adverse effect on our results of operations. These events, if they occur, could affect the competitive market and the way we conduct our business and manage our capital and could result in lower revenues and higher costs.

Lastly, international standards continue to emerge in response to the globalization of the insurance industry and evolving standards of regulation, privacy, solvency measurement and risk management. Any international conventions or mandates that directly or indirectly impact or influence the nature of regulation or industry operations in the jurisdictions in which we operate could negatively affect us.

Change of control approvals required by insurance laws and regulations in certain of the jurisdictions in which we operate could discourage or inhibit takeovers, potential acquisition proposals, business combinations or other change of control transactions.

Under U.S. state insurance laws and regulations, no person, corporation or other entity may, directly or indirectly, acquire control of an insurance company, or a controlling interest in any person, corporation or other entity that has a controlling interest in an insurance company, without the prior approval of such insurance company's domiciliary state insurance regulator. Under most U.S. state insurance laws, the acquisition of, directly or indirectly, 10% or more of the voting securities of an insurance company or any company that owns or controls 10% or more of the voting securities of an insurance company is presumptively considered to be an acquisition of control, although such presumption may be rebutted by a showing that control does not in fact exist. The applicable state insurance regulator may also find that control exists in circumstances in which a person owns or controls, directly or indirectly, less than 10% of the voting securities of an insurance company. Accordingly, for so long as our company owns or controls 10% or more of the voting securities of any U.S. domiciled insurance company (such as the insurance subsidiaries of ANGI or Clearbrook), the acquisition of 10% or more of our voting securities (comprised of our class A exchangeable shares and class B shares) would require the prior approval of the U.S. state insurance regulator in each U.S. state in which such U.S. insurance company is domiciled.

Under applicable insurance laws and regulations of Canada, prior approval from the Minister of Finance (Canada) is required for any direct or indirect change of control of any Canadian-domiciled insurance company (such as BAC Canada). In addition, the Bermuda Insurance Act requires that the acquisition of 10% or more of the voting securities or voting power in a Bermuda insurer requires notification to or approval from the BMA, as applicable. In addition, there is a requirement to notify CIMA of any acquisition of more than 10% of our issued share capital or our voting securities. See Item 4.B *"Business Overview — Regulatory Framework".*

Under FSMA, the acquisition or increase of control of a U.K.-authorized insurance company is subject to prior regulatory approval. Any person proposing to acquire or increase control, generally defined as holding 10% or more of the equity, economic interest or voting rights of the insurer or its parent undertaking, or otherwise being able to exercise significant influence over its management, must notify the PRA and obtain approval before completing the transaction. Further approvals are required when ownership thresholds of 20%, 30% or 50% are reached or exceeded, or when the acquirer becomes the insurer's parent undertaking.

These laws and regulations in many of the jurisdictions in which we operate may discourage or inhibit takeovers, potential acquisition proposals, business combinations or other change of control transactions and may delay, deter or prevent a change of control of our company, including through transactions (and in particular, unsolicited transactions), that some or all of our shareholders might consider to be desirable. Additionally, any person, corporation or other entity that acquires, directly or indirectly, our voting securities without the requisite prior approvals or complying with applicable notification requirements will be in violation of these laws and may be subject to penalties, fines, or other actions that may be taken by the applicable insurance regulator, including injunctive action requiring the disposition or seizure of those securities or prohibiting the voting of those securities.

Regulatory requirements may constrain our company's ability to complete acquisitions, dispositions and other transactions on desired terms, or at all.

Our company's acquisitions, dispositions and other transactions may be subject to approval by regulatory authorities in one or more jurisdictions in which we, or our counterparties, operate that are beyond our company's control and may not be satisfied. In particular, many jurisdictions in which our company seeks to invest (or divest) impose government consent requirements on investments by foreign persons. All US-licensed insurers under U.S. state insurance laws, are required to obtain the prior approval of the U.S. state insurance regulator in each U.S. state in which such US-licensed insurers is domiciled for, among other things, the acquisition of, directly or indirectly, 10% or more of the voting securities of the insurer or any company that owns or controls 10% or more of the voting securities of the insurer. Similarly, all Bermuda-licensed insurers are required to give notice to the BMA of their intention to affect a "material change" within the meaning of the Bermuda Insurance Act, which includes many acquisitions. In the U.K., any person proposing to acquire or increase control over an insurance company must notify the PRA and obtain approval before completing the transaction. All Canadian-licensed insurers are required to obtain from the Superintendent of Financial Institutions (Canada) (the "**Superintendent**") approval for acquisitions or dispositions of assets with another person representing more than 10% of total assets of a Canadian- licensed insurer in a twelve-month period, and approval of the Minister of Finance (Canada) is required for, among other things, any amalgamation with another insurer or any transfer of all or substantially all of a Canadian licensee's business. All Cayman Islands-licensed insurers are required to obtain the prior approval of CIMA in connection with certain transactions, including any transfer of shares (direct or indirect) totaling more than 10% of the issued share capital of the insurer, any amalgamation with another insurer or transfer of a licensee's insurance operations.

Consents and approvals may not be obtained, may be obtained subject to conditions which adversely affect anticipated returns, and/or may be delayed and delay or ultimately preclude the completion of acquisitions, dispositions and other transactions. Government policies and attitudes in relation to foreign investment may change, making it more difficult to complete acquisitions, dispositions and other transactions in such jurisdictions. Furthermore, interested stakeholders could take legal steps to prevent transactions from being completed. If all or some of our company's acquisitions, dispositions and other transactions are unable to be completed on the terms agreed, our company may need to modify or delay or, in some cases, terminate these transactions altogether, the market value of our company's respective securities may significantly decline, and our company may not be able to achieve the expected benefits of the transactions.

Our failure to obtain or maintain licenses and/or other regulatory approvals as required for the operations of our insurance subsidiaries may have an adverse effect on our business, financial condition, results of operations, liquidity, cash flows and process.

Each regulator retains the authority to license insurers in its jurisdiction and an insurer generally may not operate in a jurisdiction in which it is not licensed. The licenses currently held by our insurance subsidiaries are limited in scope with respect to the products that may be sold within the respective jurisdictions. Currently, our insurance subsidiaries maintain licenses in the United States, Bermuda, the Cayman Islands, the United Kingdom and Canada. Our ability to retain licenses depends on our company's and our subsidiaries' ability to meet requirements established by applicable regulators.

To the extent our insurance subsidiaries seek to sell products for which we are currently not licensed, such subsidiaries would be required to become licensed in each of the respective jurisdictions in which such products are expected to be sold. There is no assurance that our subsidiaries would be able to obtain the relevant licenses. The process of obtaining licenses is time consuming and costly and we may not be able to become licensed in jurisdictions other than those in which our insurance subsidiaries are currently licensed and/or for products for which we are currently licensed. The modification of the conduct of our business resulting from our subsidiaries becoming licensed in certain jurisdictions or for certain products could significantly and negatively affect our business.

In addition, licensing regulations differ as to products and jurisdictions and may be subject to interpretation as to whether certain licenses are required with respect to the manner in which we may sell or service some of our products in certain jurisdictions. The degree of complexity is heightened based on the type of products that are issued, including where such products may cover risks in multiple jurisdictions. If a state regulator interprets a licensing requirement differently than we do and/or we are unable to meet their requirements, our subsidiaries could lose their licenses to do business in certain jurisdictions; be subject to additional regulatory oversight; have their licenses suspended; be subject to rescission requests, fines, administrative penalties or payments to policyholders or be subject to seizure of assets. A loss or suspension of any of our subsidiaries' licenses or an inability of any of our insurance subsidiaries to be able to sell or service certain of our insurance products in one or more jurisdictions may negatively impact our reputation in the insurance market and result in our subsidiaries' inability to write new business, impair our competitive position, distribute funds or pursue our investment strategy.

Any future regulatory changes, including political, regulatory and industry initiatives by state and international authorities, could result in the imposition of significant restrictions on our ability to do business.

Changes to the laws and regulations, and interpretations and enforcement of such laws and regulations, that govern the conduct of our business could adversely affect our operations and profitability. In addition, legislation and other regulatory initiatives taken or which may be taken in response to conditions in the financial markets, global supervision and other factors may lead to additional regulation of the insurance industry in the coming years. Such changes could increase our regulatory and compliance burden, resulting in increased costs, or limit the type, amount or structure of compensation arrangements into which we may enter with certain of our associates, which could negatively impact our ability to compete with other companies in recruiting and retaining key personnel. Changes in regulatory approval processes, rules and other dynamics in the regulatory process could adversely impact our ability to react to such changing conditions. We cannot predict what proposals may be made, what legislation or regulations may be introduced or enacted, or what impact any future legislation or regulations may have on our business, results of operations and financial condition. In addition, changes in the laws or regulations to which our insurance and reinsurance subsidiaries are subject or in the interpretation thereof by enforcement or regulatory agencies as well as increased monitoring compliance by international bodies of certain jurisdictions in which Brookfield operates could have an adverse effect on our business and cause reputational damage to our operating subsidiaries.

Further, as insurance industry practices and legal, judicial, social and other conditions outside of our control change, unexpected issues related to claims and coverage may emerge. These changes may include modifications to long established business practices or policy interpretations, which may adversely affect us by extending coverage beyond our underwriting intent or by increasing the type, number or size of claims. For example, in July 2024, NYDFS issued Circular Letter No. 7, in which the NYDFS imposed significant obligations on insurers using AI systems or external consumer data and information sources. Circular Letter No. 7 expands the applicability of the department's 2019 Circular Letter No. 1, which set out the department's views concerning the use of external consumer data sources in the underwriting of life insurance. Circular Letter No. 7 incorporates the general obligations from Circular Letter No. 1 while adding more detailed requirements, expanding the scope beyond life insurance, and adding significant governance and documentation requirements. Circular Letter No. 7 outlines qualitative and quantitative assessment requirements to demonstrate that similarly situated individuals or insureds of a protected class do not face disproportionate adverse effects from the use of artificial intelligence systems or external consumer data in underwriting and pricing. Circular Letter No. 7 also clarifies that insurers bear the burden of ensuring that ECDIS or AIS provided by vendors complies with anti-discrimination law.

Other states may undertake regulatory efforts similar to NYDFS. For example, on July 6, 2021, the governor of Colorado signed Senate Bill 21-169, which also regulates an insurer's use of external consumer data and information sources. The Colorado Division of Insurance has subsequently passed regulations that impose requirements on Colorado-licensed life insurance companies that use external data and artificial intelligence systems in insurance practices. The Colorado Division of Insurance has adopted amendments to its regulation, expanding those regulations to apply to auto insurers and health benefit plan insurers. In addition, in October 2023, the NAIC released a model bulletin titled "Use of Artificial Intelligence Systems by Insurers", which sets out a draft comprehensive framework for insurer's artificial intelligence governance. As of October 2025, 24 jurisdictions have adopted this model bulletin. The NAIC has also formed a committee on race and insurance which is focused on underwriting practices that may be an unintentional proxy for discrimination. As a result of these regulatory efforts, there is a great deal of uncertainty whether traditional underwriting criteria will be restricted by new state laws or regulations. Such regulatory efforts may significantly hinder our use of technological and innovative advances to underwrite and price life insurance accurately and deter the use of what is commonly called "big data" in the underwriting of property and casualty insurance.

A decrease in applicable capital ratios/calculations of our insurance subsidiaries could result in increased scrutiny by insurance regulators and rating agencies and have an adverse effect on our results of operations and financial condition.

In any particular year, statutory surplus amounts and applicable capital ratios in respect of our insurance subsidiaries, may increase or decrease depending on a variety of factors, including the amount of statutory income or losses generated by the insurance subsidiary (which itself is sensitive to equity market and credit market conditions), recognition of write-downs or other losses on investments held in our investment portfolio, the amount of additional capital such insurer must hold to support business growth, changes in equity market levels, the value and credit ratings of certain fixed income and equity securities in its investment portfolio, the value of certain derivative instruments that do not receive hedge accounting and changes in interest rates, as well as changes to the applicable capital formulas and the interpretation of the applicable regulator's instructions with respect to capital calculation methodologies. Our financial strength and credit ratings are significantly influenced by statutory surplus amounts and the capital ratios of our insurance subsidiaries. In addition, rating agencies may implement changes to their own internal models, which differ from the prescribed capital models in Canada, the Cayman Islands, Bermuda, the United Kingdom, or the United States, as applicable, that have the effect of increasing or decreasing the amount of statutory capital our insurance subsidiaries should hold relative to the rating agencies' expectations. Under stressed or stagnant capital market conditions and with the aging of existing insurance liabilities, without offsets from new business, the amount of additional statutory reserves that an insurance subsidiary is required to hold may materially increase. This increase in reserves would decrease the statutory surplus available for use in calculating the relevant subsidiary's required capital ratio(s). To the extent that the capital ratios of any of our insurance subsidiaries are deemed to be insufficient, we may seek to take actions to increase the capitalization of that subsidiary or to reduce the capitalization requirements. If we were unable to accomplish such actions, the rating agencies may view this as a reason for a ratings downgrade. The failure of our insurance subsidiaries to meet their respective capital requirements or any other applicable minimum capital and surplus requirements could subject them or us to further examination or corrective action imposed by insurance regulators, including limitations on the ability to write additional business, supervision by regulators or seizure or liquidation. Any corrective action imposed could have an adverse effect on our business, results of operations and financial condition. A decline in the capital ratios of any our insurance subsidiaries, whether or not such decline results in a failure to meet the applicable capital requirement, may limit the ability of that subsidiary to make dividends or distributions to us, could result in a loss of new business, or could be a factor in causing ratings agencies to downgrade financial strength ratings, each of which could have an adverse effect on our business, results of operations and financial condition. Moreover, future revisions to the applicable capital calculations relevant to our insurance subsidiaries could result in a reduction in those capital ratios below certain prescribed levels, and in case of such a reduction we may be required to hold additional capital in the applicable insurance subsidiary.

Potential government intervention in the insurance industry and instability in the marketplace for insurance products could hinder our flexibility and negatively affect the business opportunities that may be available to us in the market.

Government intervention in the insurance industry and the possibility of future government intervention have created uncertainty in the reinsurance and insurance markets. Governmental authorities worldwide have become increasingly interested in potential risks posed by the insurance industry as a whole to commercial and financial systems in general, and there could be increased regulatory intervention in the reinsurance and insurance industries in the future.

Government regulators are generally concerned with the protection of policyholders to the exclusion of other constituencies, including shareholders of insurers. While we cannot predict the exact nature, timing or scope of possible governmental initiatives, such proposals could adversely affect our business by, among other things:

- providing reinsurance and insurance capacity in markets and to consumers that we target;
- requiring our participation in industry pools and guaranty associations;
- further regulating the terms of reinsurance and insurance policies; or
- disproportionately benefiting the companies of one country over those of another.

Government intervention has in the recent past taken the form of financial support of certain companies in the reinsurance and insurance industry. Governmental support of individual competitors can lead to increased pricing pressure and a distortion of market dynamics. The insurance industry is also affected by political, judicial and legal developments that may create new and expanded theories of liability, which may result in unexpected claims frequency and severity and delays or cancellations of products and services by insureds, insurers and reinsurers which could adversely affect our business.

Additionally, governments and regulatory bodies may take unpredictable action to ensure continued supply of insurance, particularly where a given event leads to withdrawal of capacity from the market. For example, regulators may seek to force us to offer certain covers to (re)insureds, constrain our flexibility to apply certain terms and conditions or constrain our ability to make changes to the pricing of our contracts. There can be no assurance as to the effect that any such governmental or regulatory actions will have on the financial markets generally or on our competitive position, business and financial condition. See Item 3.D "*Risk Factors — Risks Relating to Regulation — Any future regulatory changes, including political, regulatory and industry initiatives by state and international authorities, could result in the imposition of significant restrictions on our ability to do business*".

We face risks related to changes in Bermuda law and regulations, and the political environment in Bermuda.

The company is subject to insurance group supervision by the Texas Department of Insurance and is incorporated and headquartered in Bermuda. Therefore, changes in Bermuda law and regulation may adversely impact our operations, such as increased regulatory supervision or changes in regulation.

On January 7, 2026, the Insurance Amendment (No.2) Act 2025 came into operation (the "**Insurance Amendment Act**"). The Insurance Amendment Act seeks to enhance the BMA's supervisory framework by, amongst other things: (i) providing that group supervision is triggered where an insurer registered under the Bermuda Insurance Act and its ultimate parent company are in Bermuda where that parent also owns insurance entities outside of Bermuda; (ii) providing a direct approach to supervising insurance groups through a Bermuda holding company, where deemed appropriate by the BMA; and (iii) establishing a minimum set of powers that the BMA may exercise over such Bermuda holding company, including some general supervisory powers. The Insurance Amendment Act also provides that certain approvals and notifications currently applicable to insurers registered under the Bermuda Insurance Act would be extended to such Bermuda holding companies that fall within the remit of supervision. The Insurance Amendment Act provides that, where an insurance group becomes subject to group supervision as a result of the Insurance Amendment Act and as communicated by the BMA, the group will have a transition period until January 1, 2027 to take such steps as are required for the purposes of group supervision by the BMA. The BMA, in a letter published on May 6, 2025, noted that it will not take any sudden actions regarding mandatory group supervision and will engage the concerned entity and relevant supervisors. If our company were to be subject to additional supervision by the BMA as a result of the Insurance Amendment Act, it may result in certain additional and potentially duplicative requirements such as those set out in the Bermuda Insurance Act applicable to supervised groups, including eligible capital, may also apply to the company, which could impact our business.

In addition, we are subject to changes in the political environment in Bermuda, which could, for example, make it difficult to operate in, or attract talent to, Bermuda. Additionally, Bermuda, which is currently a United Kingdom overseas territory, may consider changes to its relationship with the United Kingdom in the future. Such changes could adversely affect Bermuda and/or the international reinsurance market focused there, either of which could adversely impact our company.

The European Commission has proposed sanctions against non-cooperative tax jurisdictions

Bermuda and the Cayman Islands are each on the European Union's "whitelist" of cooperative tax jurisdictions, having delivered on the commitments each jurisdiction made to the European Union in 2019 to further enhance their respective regulatory and transparency frameworks. The European Commission has proposed sanctions against non-cooperative tax jurisdictions, including restrictions on certain European sovereign wealth funds channeling funds through entities domiciled in non-cooperative jurisdictions. If, in the future, the classification of either jurisdiction changes, so that Bermuda or the Cayman Islands is again included on the European Union's non-cooperative jurisdictions list, the ability of certain European sovereign wealth funds to invest in our business may be limited. In the future, individual European Union member states may also apply sanctions against non-cooperative jurisdictions. If, in the future, the classification of either jurisdiction changes and Bermuda or the Cayman Islands is again included on the non-cooperative jurisdictions list, and these or other sanctions are implemented, we cannot guarantee that such sanctions will not have an adverse impact on our business.

The legislation enacted in Bermuda and the Cayman Islands as to economic substance may affect our operations.

In addition, pursuant to the Bermuda ESA that came into force in December 2018, a registered entity other than an entity which is resident for tax purposes in certain jurisdictions outside Bermuda, which we refer to as a non-resident entity, that carries on as a business any one or more of the "relevant activities" referred to in the Bermuda ESA must comply with economic substance requirements. The "relevant activities" are carrying on any one or more of the following activities: banking, insurance, fund management, financing and leasing, headquarters, shipping, distribution and service center, intellectual property and holding entity.

Likewise, pursuant to the Cayman ESA that came into force on January 1, 2019, a "relevant entity" that carries on any one or more of the "relevant activities" referred to in the Cayman ESA must comply with economic substance requirements. Cayman Islands "relevant activities" include: banking business, distribution and service center business, financing and leasing business, fund management business, headquarters business, holding company business, insurance business, intellectual property business and shipping business.

In each jurisdiction, an in-scope entity which is engaged in any one or more of the "relevant activities" must satisfy an economic substance test, by performing core income-generating activities in the jurisdiction, being directed and managed in an appropriate manner in the jurisdiction and, having within the jurisdiction (i) an adequate amount of operating expenditure incurred in each jurisdiction, (ii) an adequate physical presence (under the Cayman ESA plant, property and equipment) and (iii) an adequate number of qualified full-time employees or other personnel.

The Bermuda ESA and the Cayman ESA could affect the manner in which we operate our business, which could adversely affect our business, financial condition and results of operations. Non-compliance with the Bermuda ESA or the Cayman ESA could result in significant financial penalties and other sanctions.

Our employees in Bermuda and the Cayman Islands require work permits to run their reinsurance businesses in those jurisdictions and may not be able to obtain and/or renew the required work permits under Bermuda and/or Cayman Islands law.

North End Re has full time employees based in Bermuda and the Cayman Islands to run their respective reinsurance businesses in those jurisdictions. Under Bermuda law, non-Bermudians (other than spouses of Bermudians and holders of permanent residents' certificates) generally may not engage in any gainful occupation in Bermuda without a valid government work permit (with certain exceptions). The position is substantially the same in the Cayman Islands. A Bermuda work permit is generally granted or renewed upon showing that, after proper public advertisement, no Bermudian, spouse of a Bermudian, or holder of a permanent resident's certificate who meets the minimum standards reasonably required by the employer has applied for the job. The position is substantially the same in the Cayman Islands. Bermuda work permit terms that are available for request range from three months to five years. Should NER Ltd. or NER SPC, as the case may be, at any point, not be able to recruit suitable Bermudian or Caymanian employees, as the case may be, or obtain work permits for prospective non-Bermudian or non-Caymanian employees, NER Ltd. and/or NER SPC may not be able to use their services, which could have an adverse effect on our business, financial condition and results of operations.

Regulatory regimes and changes to accounting rules may adversely impact our financial results irrespective of business operations.

Accounting standards and regulatory changes may require modifications to our accounting principles, both prospectively and for prior periods, and such changes could have an adverse impact on our financial results. Required modification of our existing principles, and new disclosure requirements, could have an impact on our results of operations and increase our expenses in order to implement and comply with any new requirements. Future changes to U.S. GAAP or Statutory Accounting Principles could impact our product profitability, reserve and capital requirements, financial condition or results of operations.

Risks Relating to Our Relationship with Brookfield

Individuals who are members of the Partnership and also executives of Brookfield will exercise influence over any decisions requiring shareholder approval.

For over 50 years, the partners of Brookfield (the "**Partnership**" or "**Partners**") have held a substantial portion of their investment in Brookfield Class A Shares in partnership with one another. Separate from the ownership of the Brookfield Class A Shares, the Partners also own the Brookfield Class B Shares in partnership with one another. The Partners include both current and former senior executives of Brookfield. Senior members of the Partnership collectively hold and control all of our outstanding class B shares through the BNT Trust. See Item 7.A "*Major Shareholders*". As the sole holder of the class B shares, the BNT Trust is entitled to elect one-half of our Board and approve all other matters requiring shareholder approval. Given our ownership structure, the rationale for our formation and because each exchangeable share has been structured with the intention of providing an economic return equivalent to one Brookfield Class A Share, and as a result of the financial and other support Brookfield provides us, the interests of our company and Brookfield are strongly aligned. See Item 7.B "*Related Party Transactions*". Nevertheless, the interests of the senior members of the Partnership who hold and control the class B shares through the BNT Trust could differ from or conflict with the interests of our other shareholders in circumstances that we cannot foresee.

We depend on Brookfield under the Administration Agreement and the Investment Management Agreements and, as a result, our business may experience an adverse impact should we lose any of the services that Brookfield provides to our company thereunder.

We rely on Brookfield with respect to the provision of certain administrative services, as described in Item 10.C "*Material Contracts — The Administration Agreement*". This means that our day-to-day operational matters will be dependent, in part, upon Brookfield's ability to maintain its operating systems. The Administration Agreement does not require Brookfield to maintain the employment of any of its professionals or to cause any particular professionals to provide services to us or on our behalf. If our company were to lose the services provided by Brookfield, or if Brookfield fails to perform its obligations under the Administration Agreement, we may be required to incur additional expenses to replace such services. We may be unable to duplicate the quality and depth of the services available to our company by handling such services internally or by retaining another service provider.

In addition, we rely on BAM as an investment manager under the Investment Management Agreements. Brookfield Corporation owns approximately 73% of BAM. Accordingly, BAM may not be economically fully aligned with our company in performing this function. BAM is not required to maintain the employment of any of its professionals or to cause any particular professionals to provide services to us or on our behalf. In addition, the employees of Brookfield, including BAM, that provide services to our company are not required to have as their primary responsibility the provision of investment management services to our company or to act exclusively for our company. Brookfield may provide similar services to other companies, including those who compete with us. If our company were to lose the investment management services provided by BAM, or if BAM fails to perform its obligations under the Investment Management Agreements adequately, we may experience an adverse impact on our business operations.

While we will seek to leverage our relationship with Brookfield to access its investment management and asset allocation capabilities, there can be no assurance we will be able to achieve all the advantages we are seeking through such relationship.

In order for our company to execute our vision of being a leading reinsurer of liabilities and earn attractive risk-adjusted returns within our business, we will seek to leverage our relationship with Brookfield by, among other things, taking advantage of Brookfield's core attributes as a leading global asset management company (see Item 7.B "*Related Party Transactions*" for further information). We are a party to the Investment Management Agreements with BAM in which Brookfield Corporation holds an approximate 73% interest. Under these arrangements, BAM has discretion in some cases over how certain investments are made and we cannot be assured as to how BAM will manage our investments. BAM is not fully economically aligned with our company, despite Brookfield Corporation continuing to hold an approximate 73% interest in BAM. However, beyond the Investment Management Agreements, Brookfield does not have an agreement to provide our company with access to its investment management and asset allocation capabilities, institutional relationships or any other opportunities. As such, our company cannot be assured that we will be able to successfully derive all of the intended benefits of our relationship with Brookfield, which could have an adverse effect on our financial and operational results and our growth strategy.

Our business strategy and relationship with Brookfield give rise to conflicts of interest that may be resolved in a manner that is not in the best interests of our company or our shareholders.

A key element of our business strategy is to seek to benefit from Brookfield's broader investment, operational and financial platform. This strategy and overall relationship with Brookfield will give rise, in the ordinary course, to various potential and/or actual conflicts of interest considerations. Given our ownership structure, the rationale for our formation and because each exchangeable share has been structured with the intention of providing an economic return equivalent to one Brookfield Class A Share, and as a result of the financial and other support Brookfield provides us, the interests of our company and Brookfield are strongly aligned. Nevertheless, the interests of Brookfield could differ from or conflict with the interests of our business and our shareholders in circumstances that we cannot foresee. See Item 7.B "*Related Party Transactions — Conflicts of Interest*" for a more detailed discussion of these considerations.

Certain arrangements between us and Brookfield were negotiated prior to the spin-off of our company from Brookfield Corporation and may contain terms that are less favorable than those which otherwise might have been obtained from unrelated parties.

The terms of certain arrangements with Brookfield that currently apply to our company were adopted prior to the spin-off of our company from Brookfield Corporation and have therefore been effectively determined by Brookfield. These terms, including terms relating to the support Brookfield provides to us, may be less favorable than otherwise might have resulted if the negotiations had involved unrelated parties.

Risks Relating to Taxation

General Tax Risks

Our aggregate tax liability and effective tax rate could be adversely affected in the future by changes in the tax laws of the countries in which we operate, including as a result of ongoing efforts by the member countries of the OECD

We have operations in various countries that have differing tax laws and rates. Our tax reporting is supported by current domestic tax laws in the countries in which we operate and the application of tax treaties between the various countries in which we operate. Our income tax reporting is subject to audit by domestic and foreign authorities. Our effective tax rate may change from year to year based on changes in the mix of activities and income earned among the different jurisdictions in which we operate, changes in tax laws in these jurisdictions, changes in the tax treaties between various countries in which we operate, changes in our eligibility for benefits under those tax treaties, and changes in the estimated values of deferred tax assets and liabilities. Tax laws, regulations, and administrative practices in various jurisdictions may be subject to significant change, with or without notice, due to economic, political, or other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes.

In recent years, the OECD, with the support of the G20, has developed proposals to address perceived base erosion and profit shifting ("**BEPS**"). BEPS refers to tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to locations with low or no tax and little or no economic activity, for the purpose of reducing a multinational group's aggregate tax liability. In 2021, the OECD/G20 Inclusive Framework on BEPS published a statement updating and finalizing the key components of a "two pillar" plan for global tax reform, as agreed among a number of countries across the globe. Pillar One addresses tax nexus and the allocation of profits for tax purposes. Under Pillar Two, a global minimum tax at the rate of 15% would be imposed on certain companies whose revenues exceed a threshold. The global minimum tax is implemented by means of a "top-up tax" determined on a jurisdiction-by-jurisdiction basis, based on the difference between the effective tax rate per jurisdiction and the 15% minimum rate. The tax may be payable to the jurisdiction where the profits are earned, through a domestic top-up tax, or in another jurisdiction, through the "income inclusion rule" or the "undertaxed profits rule".

Certain jurisdictions in which we operate, including Canada, the United Kingdom, Luxembourg, and Bermuda, have enacted, or are expected to enact, legislation to implement Pillar Two. The enactment of the tax laws described above —in particular, the adoption of the “undertaxed profits rule” — are expected to result in a top-up tax payable in one or more of these jurisdictions. As a result of these and other developments, the tax laws of the countries in which we and our affiliates do business could change on a prospective or retroactive basis, and any such changes, including the adoption of the global minimum tax rules, could increase our effective tax rate and aggregate tax liability, which may have an adverse effect on our financial position and results of operations. The timing, scope, and implementation of any of the potential Pillar Two provisions into the domestic law of relevant countries remain subject to uncertainty. The ultimate implementation of such rules may result in additional tax payable by our business and increase the complexity and costs associated with our tax compliance worldwide.

Bermuda Tax Risks

Our company has been subject to corporate income tax since 2025.

Under current Bermuda law, there is no withholding tax or capital transfer tax payable by the company.

The operative provisions of the Bermuda Tax Act came into force on January 1, 2025 along with corresponding changes to the *Exempted Undertakings Tax Protection Act 1966* (as amended). The Bermuda Tax Act implements a new corporate income tax regime within the scope of BEPS. The Bermuda Tax Act imposes corporate income tax to certain multinational groups with annual revenues of €750 million or more. The company recognized a deferred tax asset (“**DTA**”) of $457 million as of December 31, 2025, relating to this regime.

The Bermuda Tax Act introduced an economic transition adjustment (the “**ETA**”) which allows for an elective increase or decrease in the tax basis of assets and liabilities (excluding goodwill) held as of September 30, 2023 to fair value. It also allows for the recognition of a DTA related to the value of “identifiable intangible assets” that may be amortized over ten years, beginning January 1, 2025. On December 11, 2025, the Government of Bermuda enacted further amendments to the Bermuda Tax Act to align the calculation of the ETA with the Administrative Guidance issued by OECD in January 2025. Under these changes, any deferred tax liability that would otherwise arise solely from the mechanical calculation of the ETA is eliminated by reducing the amount to zero. As a result of these amendments, the company recognized additional DTAs totaling $175 million in 2025.

The company and its Bermuda based direct and indirect subsidiaries (“**Bermuda Entities**”) expect to be subject to Pillar Two. The Bermuda Entities are each considered a Bermuda Constituent Entity (and together form a Bermuda Constituent Entity Group) for the purposes of the Bermuda Tax Act and as a result, liable to pay corporate income tax in Bermuda pursuant to the Bermuda Tax Act. The headline rate will be 15% of the net taxable income of the Bermuda Constituent Entity Group but may be reduced by any available applicable tax credits. We are continuing to assess and monitor the impact of the Bermuda Tax Act on our operations, including any transitional provisions and elections available to mitigate such impact.

Canadian Tax Risks

The exchange of class A exchangeable shares for Brookfield Class A Shares pursuant to the exercise of the exchange right will result in a disposition of the class A exchangeable shares for Canadian federal income tax purposes.

The exchange of class A exchangeable shares for Brookfield Class A Shares pursuant to the exercise of the exchange right will result in a disposition of the class A exchangeable shares for Canadian federal income tax purposes. Resident Holders (as defined herein) generally will be subject to Canadian federal income tax on any resulting capital gain as further described under the heading “*Certain Material Canadian Federal Income Tax Considerations — Taxation of Holders Resident in Canada*”. Non-Resident Holders (as defined herein) generally will not be subject to Canadian federal income tax on any resulting capital gain unless the class A exchangeable shares constitute “taxable Canadian property” (as defined in the *Tax Act*) of the Non-Resident Holder as further described under the heading “*Certain Material Canadian Federal Income Tax Considerations — Taxation of Holders not Resident in Canada*”.

Dividends received or deemed to be received by Resident Holders on the class A exchangeable shares will not be subject to the same Canadian federal income tax treatment as taxable dividends received or deemed to be received by Resident Holders from “taxable Canadian corporations”.

Dividends received (or deemed to be received) on the class A exchangeable shares by a Resident Holder who is an individual will be included in computing the Resident Holder’s income and will not be subject to the gross-up and dividend tax credit rules normally applicable under the *Tax Act* to taxable dividends received from “taxable Canadian corporations” (as defined in the *Tax Act*).

Dividends received on the class A exchangeable shares by a Resident Holder that is a corporation will be included in computing the corporate Resident Holder’s income and such Resident Holder will not be entitled to the inter-corporate dividend deduction in computing taxable income which generally applies to dividends received from taxable Canadian corporations.

Changes in Canadian federal income tax law might have an adverse effect on our shareholders.

There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, or the administrative policies and assessing practices of the CRA will not be changed in a manner that adversely affects our shareholders or Brookfield Corporation, our company or their affiliates. Any such developments may have an adverse effect on our shareholders or the business, financial condition, and operating results of Brookfield Corporation, our company or any of their affiliates.

There can be no assurance that the class A exchangeable shares or Brookfield Class A Shares will continue to be qualified investments for Registered Plans.

Our company and Brookfield Corporation, as applicable, will endeavor to ensure that the class A exchangeable shares and Brookfield Class A Shares, as applicable, continue to be qualified investments for Registered Plans. However, no assurance can be given in this regard. The *Tax Act* imposes penalties for the acquisition or holding of non-qualified investments by Registered Plans. See Item 10.E "*Taxation — Certain Material Canadian Federal Income Tax Considerations — Eligibility for Investment*".

U.S. Tax Risks

Our company and certain of our non-U.S. subsidiaries may be subject to U.S. federal income taxation in amounts greater than expected, which could have an adverse effect on our financial condition and operating results.

Our company and certain of our non-U.S. subsidiaries are treated as foreign corporations under the Code. Any such non-U.S. subsidiary that is considered to be engaged in a trade or business in the United States generally will be subject to U.S. federal income taxation on a net basis on its income that is effectively connected with such U.S. trade or business (including a branch profits tax on the portion of its earnings and profits that is attributable to such income, subject to certain adjustments), unless otherwise provided under an applicable income tax treaty. In addition, any such non-U.S. subsidiary generally will be subject to U.S. federal income taxation on a gross basis on certain U.S.-source income, as well as a U.S. federal excise tax on certain premiums earned on insurance with respect to U.S. risks that are not effectively connected with a U.S. trade or business, unless otherwise provided under an applicable income tax treaty.

We expect each non-U.S. subsidiary (that is treated as a foreign corporation under the Code) to operate in a manner that will not cause it to be treated as engaged in a trade or business within the United States or, if applicable under an income tax treaty, as carrying on a business in the United States through a permanent establishment. However, the potential application of the BEAT (discussed below), the complex application of the U.S. federal income tax rules for determining the tax liability of a corporation, and other factors, including any future tax legislation, may cause some or all of such non-U.S. subsidiaries to conduct business differently. Moreover, there is considerable uncertainty as to when a foreign corporation is engaged in a trade or business within the United States and as to what constitutes a permanent establishment under the applicable tax treaties.

Based on such uncertainty, there can be no assurance that the IRS will not contend successfully that one or more of such non-U.S. subsidiaries is engaged in a trade or business (or carrying on business through a permanent establishment) in the United States. If one or more of such non-U.S. subsidiaries were treated as engaged in a trade or business (or carrying on business through a permanent establishment) in the United States, then any such non-U.S. subsidiary could be subject to U.S. federal income taxation on the portion of its net income treated as effectively connected with a U.S. trade or business (or its business profits attributable to a U.S. permanent establishment), as well as the U.S. branch profits tax. Any such U.S. federal income taxation could result in substantial tax liabilities and consequently could have an adverse effect on our business, financial condition, and operating results.

Recent changes in U.S. federal income tax law may significantly increase the tax liability of our U.S. subsidiaries.

Under the *OBBBA*, our U.S. subsidiaries may be subject to a base erosion and anti-abuse tax ("**BEAT**"). The BEAT operates as a minimum tax and generally is calculated as a percentage (10.5% for taxable years beginning after 2025) of the "modified taxable income" of an "applicable taxpayer". Modified taxable income is calculated by adding back to a taxpayer's regular taxable income the amount of certain "base erosion tax benefits" with respect to certain payments made to non-U.S. affiliates, as well as the "base erosion percentage" of any net operating loss deductions. The BEAT applies only to the extent it exceeds a taxpayer's regular corporate income tax liability (determined without regard to certain tax credits) and only in years in which the "base erosion percentage" exceeds a specified percentage.

Under the *Inflation Reduction Act*, a 15% corporate alternative minimum tax ("**CAMT**") is imposed on the adjusted financial statement income of certain large corporations, effective for taxable years beginning after December 31, 2022. The impact of the CAMT, if any, will vary from year to year, based on the relationship between our adjusted financial statement income and our taxable income. Certain of our U.S. subsidiaries were subject to the CAMT for the taxable year ending December 31, 2025, and certain U.S. subsidiaries may be subject to the CAMT in the current or future taxable years. If applicable in any given year, the BEAT or CAMT may significantly increase the tax liability of our U.S. subsidiaries for such year.

Changes in U.S. tax law may have an adverse effect on us or our shareholders.

The tax treatment of our company and its subsidiaries may be affected by future U.S. tax legislation. We cannot predict whether any particular proposed legislation will be enacted or, if enacted, what the specific provisions or the effective date of any such legislation would be, or whether it would have any effect on our company or its subsidiaries. No assurance can be provided that future legislative, administrative, or judicial developments will not result in an increase in the amount of U.S. tax payable by our company, its subsidiaries, or shareholders. Any such developments could have an adverse effect on shareholders or our business, financial condition, and operating results.

If our company is classified as a passive foreign investment company, U.S. persons who own exchangeable shares could be subject to adverse U.S. federal income tax consequences.

If our company is classified as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes, a U.S. Holder (as defined below) who owns exchangeable shares could be subject to adverse tax consequences, including a greater tax liability than might otherwise apply, an interest charge on certain taxes deemed deferred as a result of our company's non-U.S. status, and additional U.S. tax filing obligations, regardless of the number of exchangeable shares owned.

In general, a non-U.S. corporation will be a PFIC during a taxable year if (i) 75% or more of its gross income constitutes passive income or (ii) 50% or more of its assets produce, or are held for the production of, passive income. For these purposes, passive income generally includes interest, dividends, and other investment income. However, under an "active insurance" exception, income is not treated as passive if it is derived in the "active conduct" of an insurance business by a "qualifying insurance corporation".

Based on the current and expected income, assets, and activities of our company, we do not expect our company to be classified as a PFIC for the current taxable year or in the foreseeable future. However, there is significant uncertainty as to the application of the relevant PFIC regulations, including certain proposed regulations relating to the active conduct of an insurance business. Moreover, the PFIC determination is made annually as of the end of each taxable year and depends on a number of factors, some of which are beyond our company's control, including the value of our company's assets and the amount and type of its income. Accordingly, there can be no assurance that our company or any of its non-U.S. subsidiaries will not be classified as PFICs for any taxable year or that the IRS will agree with our company's belief regarding its PFIC status. U.S. Holders are urged to consult their tax advisers regarding the application of the PFIC rules, with respect to their ownership and disposition of exchangeable shares.

If any of our non-U.S. subsidiaries are determined to have related person insurance income, U.S. persons who own exchangeable shares may be subject to U.S. federal income taxation on their pro rata share of such income.

If, for U.S. federal income tax purposes, any non-U.S. subsidiary is treated as recognizing "related person insurance income" ("**RPII**") in a taxable year and is also treated for such purposes in such taxable year as a "controlled foreign corporation" (an "**RPII CFC**"), then each U.S. person that owns exchangeable shares directly or indirectly through non-U.S. entities as of the last day in such taxable year generally must include in gross income its pro rata share of the RPII, determined as if the RPII were distributed proportionately only to all such U.S. persons, regardless of whether that income is distributed (with certain adjustments). A U.S. Holder that is a tax-exempt organization would be required to treat RPII as unrelated business taxable income.

RPII generally is any income of a non-U.S. corporation attributable to insuring or reinsuring risks of a U.S. person that owns (or is treated as owning) stock of such non-U.S. corporation, or risks of a person that is treated as related to such U.S. person for U.S. federal income tax purposes. However, the RPII rules do not apply to income derived from a non-U.S. insurance subsidiary if (i) direct and indirect insureds and persons related to such insureds, whether or not U.S. persons, are treated as owning (directly or indirectly through entities) less than 20% of the voting power and less than 20% of the value of the shares of such non-U.S. insurance subsidiary or (ii) RPII, determined on a gross basis, is less than 20% of the gross insurance income of such non-U.S. insurance subsidiary for the taxable year. In general, our company believes that its non-U.S. insurance subsidiaries are likely to have operated in such a manner as to qualify for at least one of the foregoing exceptions. However, our company does not track the identity of shareholders or persons who are insured by its subsidiaries for this purpose, and therefore our company has made no formal determination as to whether either of the foregoing exceptions applies to any of its non-U.S. subsidiaries.

The IRS has issued proposed regulations providing guidance on certain aspects of the determination of RPII, including RPII arising from insurance coverage of a person related to a U.S. shareholder of a RPII CFC, as well as certain "cross-insurance" arrangements. We do not expect the proposed regulations, if finalized as proposed, to cause U.S. Holders to be treated as earning RPII.

The application of the RPII rules to U.S. Holders is subject to uncertainty. Accordingly, there can be no assurance that the above RPII rules will not apply or that the IRS will agree with our company's conclusions regarding the application of the RPII rules. U.S. Holders are urged to consult their tax advisers regarding the application of the RPII rules, including the proposed regulations, with respect to their ownership and disposition of exchangeable shares.

U.S. persons who sell or otherwise dispose of exchangeable shares in a taxable transaction may be required to treat gain as ordinary income for U.S. federal income tax purposes and comply with certain reporting requirements.

In general, if a U.S. person sells or taxably disposes of shares of a non-U.S. corporation that would be taxed under the provisions of the Code applicable to U.S. insurance companies if it were a U.S. corporation, and the non-U.S. corporation is (or would be but for certain exceptions) treated as an RPII CFC, then any gain realized on the disposition may be recharacterized as a dividend to the extent of the U.S. person's share of the corporation's undistributed earnings and profits that were accumulated during the period that the U.S. person owned the shares (possibly whether or not those earnings and profits are attributable to RPII). In addition, the shareholder might be required to comply with certain reporting requirements, regardless of the number of shares owned.

Our company does not directly engage in an insurance or reinsurance business, but it has non-U.S. subsidiaries that do so. Based on the absence of legal authority, there is a strong argument that gain realized upon the disposition of exchangeable shares should not be recharacterized as a dividend for U.S. federal income tax purposes under this special rule, because our company is not directly engaged in the insurance business. However, there can be no assurance that the IRS will not successfully assert that this tax treatment applies in such circumstances and thus may apply to a U.S. Holder who recognizes taxable gain from the sale or other taxable disposition of exchangeable shares. U.S. Holders are urged to consult their tax advisers regarding the application of the foregoing rules to their ownership and disposition of exchangeable shares.

We may become subject to U.S. withholding tax under FATCA.

FATCA imposes 30% withholding tax on "withholdable payments" made to a "foreign financial institution" or a "non-financial foreign entity", unless such financial institution or entity satisfies certain information reporting or other requirements. Withholdable payments include certain U.S.-source income, such as interest, dividends, and other passive income. We intend to comply with FATCA, so as to ensure that the 30% withholding tax does not apply to any withholdable payments received by our company or any of our non-U.S. subsidiaries. However, no assurance can be provided in this regard. We may become subject to withholding tax or penalties if we are unable to comply with FATCA.

There is U.S. income tax risk associated with reinsurance between U.S. insurance companies and their non-U.S. affiliates.

If a reinsurance agreement is entered into among related parties, the IRS is permitted to reallocate or recharacterize income, deductions, or certain other items, and to make any other adjustment, to reflect the proper amount, source, or character of the taxable income of each of the parties. If the IRS were to successfully challenge our reinsurance arrangements, then our business, financial condition, and operating results could be adversely affected.

The treatment of the exchangeable shares for U.S. federal income tax purposes is uncertain.

The U.S. federal income tax consequences to U.S. Holders of the ownership and disposition of exchangeable shares depend, in part, on whether the exchangeable shares are, for U.S. federal income tax purposes, treated as stock of our company. No authority directly addresses the U.S. federal income tax treatment of a security with terms and related rights similar to the exchangeable shares, and therefore the tax treatment of the exchangeable shares is uncertain. We treat the exchangeable shares as stock of our company for all U.S. federal income tax purposes but alternative characterizations are possible. For example, the IRS or a court might characterize the exchangeable shares and related rights as stock of Brookfield Corporation or as derivative financial instruments, with complex and uncertain tax consequences that could be materially different from the consequences described in this Form 20-F. No assurance can be provided that the IRS or a court will agree with our position that the exchangeable shares constitute stock of our company, and the U.S. federal income tax consequences of an alternative characterization of the exchangeable shares could be adverse to U.S. Holders as described in greater detail in Item 10.E "*Taxation - Certain Material United States Federal Income Tax Considerations*". U.S. Holders are urged to consult their tax advisers regarding the proper treatment of the exchangeable shares for U.S. federal income tax purposes.

The exchange of exchangeable shares for Brookfield Class A Shares pursuant to the exercise of the exchange right may result in the U.S. federal income taxation of any gain realized by a U.S. Holder.

In general, a U.S. Holder is expected to recognize capital gain or loss for U.S. federal income tax purposes upon the exchange of exchangeable shares for Brookfield Class A Shares pursuant to the exercise of the exchange right equal to the difference between the amount realized upon the exchange and the holder's adjusted tax basis in the exchangeable shares. The amount realized will equal the amount of cash, if any, plus the fair market value of the Brookfield Class A Shares received upon exercise of the exchange right.

ITEM 4 INFORMATION ON THE COMPANY

ITEM 4.A HISTORY AND DEVELOPMENT OF THE COMPANY

Overview

Brookfield Wealth Solutions Ltd. was incorporated on December 10, 2020 under the Bermuda Act. Our company is focused on securing the financial futures of individuals and institutions through a range of retirement services, wealth protection products and tailored capital solutions. Through our operating subsidiaries, we offer a broad range of insurance products and services, including retail and institutional annuities, commercial property and casualty insurance and reinsurance. In doing so, we seek to match our liabilities with a portfolio of high-quality investments in order to generate attractive, risk-adjusted returns within our business. We leverage our relationship with Brookfield in order to opportunistically source new business and deploy our capital in assets that are tailored to our investment needs. Our relationship with Brookfield provides us with access to a diverse mix of leading alternative investment strategies that we believe are well-suited for this purpose.

The class A exchangeable shares are listed on the NYSE and the TSX under the symbol "BNT". The class A-1 exchangeable shares were listed on the NYSE and the TSX under the symbol "BNRE.A" until they were delisted from both exchanges effective August 29, 2024 after giving effect to the company's redesignation of all of the issued and outstanding class A-1 exchangeable shares into class A exchangeable shares on August 29, 2024.

We are subject to the informational requirements of the Exchange Act. In accordance with these requirements, we file reports and other information as a foreign private issuer with the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information relating to our company. The site is located at http://www.sec.gov. Similar information can also be found on our website at https://bnt.brookfield.com. In addition to carefully considering the disclosure made in this Form 20-F, we refer to our company as a paired entity to Brookfield Corporation, and we strongly encourage shareholders to carefully review Brookfield Corporation's periodic reporting. Brookfield Corporation is required to file reports, including annual reports on Form 40-F, and other information with the SEC. Brookfield Corporation's SEC filings are available to the public from the SEC's website noted above. Copies of documents that have been filed with the Canadian securities authorities can be obtained at www.sedarplus.ca. Information about Brookfield Corporation, including its SEC filings, is also available on its website at https://brookfield.com. The information found on, or accessible through, our or Brookfield Corporation's website does not form part of this Form 20-F. See also Item 10.H "*Documents on Display*".

Recent Developments

2025

First Reinsurance Agreement in Japan

On September 30, 2025, our company announced a flow reinsurance transaction with leading Japanese insurance company Dai-ichi Frontier Life through our wholly-owned subsidiary, American National Insurance Company ("**ANICO**"). This agreement marks the first Japan-based reinsurance agreement for our company after the establishment of a representative office in Tokyo in early 2025.

Stock Split

On October 9, 2025, our company completed a three-for-two stock split of its class A shares by way of subdivision. Each shareholder received one-half of a class A share for each class A share held (i.e. one additional class A share for every two shares held) (the "**BWS Stock Split**"). Fractional shares were paid in cash based on the closing price of the class A shares on the Toronto Stock Exchange on the record date, October 3, 2025.

Just Acquisition

On July 31, 2025, our company announced that it had entered into an agreement to acquire the entire issued and to be issued share capital of Just Group at 220 pence per Just Group share for total consideration of approximately £2.4 billion (US$3.2 billion). On September 19, 2025, shareholders of Just Group voted in favor of the Just Acquisition. Just Group is a leading provider of retirement services in the U.K. defined benefit de-risking and individual retirement income markets. On March 23, 2026, our company announced that all regulatory approvals have been received and that the Just Acquisition is expected to close on April 1, 2026.

Acquisition of BAM Shares

On June 25, 2025, our company received a contribution of 65,000,000 shares in BAM from BN, representing an approximately $3.5 billion economic interest in BAM, in exchange for the issuance by BWS of 41,670,076 class C shares and a promissory note to BN. On December 31, 2025, the promissory note was converted into an additional 24,818,914 class C shares of BWS.

BAC UK

On March 11, 2025, our company announced that the Prudential Regulation Authority ("**PRA**") and Financial Conduct Authority ("**FCA**") issued a license to BAC UK, a wholly-owned subsidiary, to participate directly in the United Kingdom's pension risk transfer market. BAC UK commenced operations on March 25, 2025.

2024

AEL Acquisition

On May 2, 2024, our company acquired all of the outstanding shares of AEL Holdings it did not already own (the "**AEL Acquisition**") pursuant to the terms of the definitive merger agreement our company entered into with AEL Holdings (the "**AEL Merger Agreement**"). Immediately following closing of the AEL Acquisition, one of our existing subsidiaries, American National Group, LLC ("**American National**") merged with and into AEL Holdings, with the surviving entity renamed to American National Group Inc. ("**ANGI**") and continuing its existence as a Delaware corporation.

AEL is a leading provider of fixed rate and fixed index annuity products with over 40,000 independent agents and advisors affiliated with independent market organizations ("**IMOs**"), banks and broker-dealers. AEL is headquartered in Des Moines, Iowa and is licensed to sell in 50 states and the District of Columbia.

Class A-1 Exchangeable Share Redesignation

On August 29, 2024, our company redesignated all of its class A-1 exchangeable shares into its class A exchangeable shares pursuant to bye-law amendments approved by shareholders at the 2024 AGM designed to simplify and enhance our capital structure. As a result of the redesignation, there are no class A-1 exchangeable shares currently in issue.

Name Change

On September 4, 2024, our company announced that it had changed its name from "Brookfield Reinsurance Ltd." to "Brookfield Wealth Solutions Ltd." to better reflect the nature of our business and relationship with Brookfield Corporation. Our company's class A exchangeable shares listed on each of the New York Stock Exchange and the Toronto Stock Exchange began trading under our new name and trading symbol "BNT" at market open on September 6, 2024.

Pension Risk Transfer Transaction

On December 16, 2024, American National Insurance Company ("**ANICO**"), a wholly-owned subsidiary of ANGI, closed a reinsurance transaction with a wholly-owned subsidiary of Just Group, pursuant to which ANICO agreed to reinsure approximately £1.0 billion (or $1.3 billion) of pension liabilities assumed by Just through a bulk annuity transaction with a U.K. pension scheme.

Contribution of Financial Assets from Brookfield Corporation

On December 23, 2024, BNT BBU Holding LP, a subsidiary of Brookfield Corporation, transferred financial assets with a value of $1 billion it previously acquired from Brookfield Corporation to wholly-owned subsidiaries of our company in exchange for $1 billion worth of class C shares.

2023

Clearbrook Acquisition

On February 8, 2023, our company entered into a definitive merger agreement with Clearbrook (formerly known as Argo Group International Holdings, Inc.), whereby our company agreed to acquire Clearbrook in an all-cash transaction valued at approximately $1.1 billion (the "**Clearbrook Acquisition**"). As part of the definitive merger agreement, each issued and outstanding Clearbrook common share was converted into the right to receive $30 in cash at closing of the merger, funded by existing cash on hand and liquidity available to our company. The Clearbrook Acquisition closed on November 16, 2023.

Clearbrook is a U.S. focused underwriter of specialty insurance products in the property and casualty market. Clearbrook offers a full line of products and services designed to meet the unique coverage and claims-handling needs of businesses.

AEL Acquisition

On July 4, 2023, our company entered into the AEL Merger Agreement whereby our company agreed to acquire all of the outstanding shares of AEL Holdings it did not already own, for a consideration of $56.50 per AEL share, consisting of $38.85 in cash and 0.49707 of a BAM class A limited voting share. The AEL Acquisition subsequently closed on May 2, 2024.

Contribution of Financial Assets from Brookfield Corporation

On August 15, 2023, Brookfield Corporation contributed financial assets with a value of approximately $2.1 billion to our company in exchange for the issuance of 60,741,893 class C shares to Brookfield Corporation.

Brookfield Reinsurance Exchange Offer

On October 11, 2023, we formally commenced an offer to holders of Brookfield Class A Shares to exchange up to 40,000,000 Brookfield Class A Shares for up to 40,000,000 newly-issued class A-1 exchangeable shares on a one-for-one basis (the "**Exchange Offer**"). The Exchange Offer expired on November 13, 2023 and closed on November 16, 2023. Under the Exchange Offer, our company took up 32,934,574 Brookfield Class A Shares and issued 32,934,574 class A-1 exchangeable shares in exchange therefor. The Brookfield Class A Shares tendered in the Exchange Offer were retained by our company for investment purposes.

ITEM 4.B BUSINESS OVERVIEW

Overview

Our company is focused on securing the financial futures of individuals and institutions through a range of retirement services, wealth protection products and tailored capital solutions. Our business is presently conducted through our subsidiaries under four operating segments, which we refer to as our Annuities, Property and Casualty ("**P&C**"), Life Insurance, and Corporate and Other segments.

Annuities

Our annuities business includes both retail and institutional annuities, and is operated primarily through subsidiaries of ANGI (including ANICO, AEL and Eagle Life Insurance Company), as well as BAC Canada, BAC UK, and NER Ltd. Our primary insurance products and coverages are as follows:

Fixed Index Annuities – Fixed index annuities allow policyholders to earn index credits based on the performance of a particular index without the risk of loss of their account value. Certain products offer a premium bonus in which the initial annuity deposit on these policies is increased at issuance by a specified premium bonus rate. Generally, the surrender charge and bonus vesting provisions of our policies are structured such that we have comparable protection from early termination between bonus and non-bonus products. The annuity contract value is equal to the sum of premiums paid, premium bonuses and interest credited ("**index credits**" for funds allocated to an index based strategy), which is based upon an overall limit (or "**cap**") or a percentage (the "**participation rate**") of the appreciation (based in certain situations on monthly averages or monthly point-to-point calculations) in a recognized index or benchmark. Caps and participation rates limit the amount of interest the policyholder may earn in any one contract year and may be adjusted by us annually subject to stated minimums.

Fixed Rate Annuities – Fixed rate deferred annuities include annual, multi-year rate guaranteed products ("**MYGAs**") and single premium deferred annuities ("**SPDAs**"). Our annual reset fixed rate annuities have an annual interest rate (the "crediting rate") that is guaranteed for the first policy year. After the first policy year, we have the discretionary ability to change the crediting rate once annually to any rate at or above a guaranteed minimum rate. Our MYGAs and SPDAs are similar to our annual reset products except that the initial crediting rate on MYGAs is guaranteed for a stated period of time before it may be changed at our discretion while the initial crediting rate on SPDAs is guaranteed for either three or five years.

Pension Risk Transfer – Pension Risk Transfer is the transfer by a corporate sponsor of the risks, or some of the risks, associated with the sponsorship and administration of a pension plan, in particular, investment risk and longevity risk. Longevity risk represents the risk of an increase in life expectancy of plan beneficiaries. These risks can be transferred either to an insurer like us through a group annuity transaction commonly referred to as PRT, or to an individual through a lump-sum settlement payment. PRT using insurance typically involves a single premium group annuity contract that is issued to a pension plan by an insurer, permitting the corporate pension plan sponsor to discharge certain pension plan liabilities from its balance sheet.

Funding Agreements – Funding agreements include those issued to special-purpose unaffiliated trusts in connection with our funding agreement-backed notes ("**FABN**") program and those directly issued to our institutional counterparties. Our FABN program allows its special-purpose unaffiliated trust to offer its senior secured medium-term notes. The net proceeds of the issuance of notes are used by the trust to purchase one or more funding agreements from certain of our insurance subsidiaries with matching interest and maturity payment terms.

Single Premium Immediate Annuities – A single premium immediate annuity is purchased with one premium payment, providing periodic (usually monthly or annual) payments to the annuitant for a specified period, such as for the remainder of the annuitant's life. Return of the original deposit may or may not be guaranteed, depending on the terms of the annuity contract.

Variable Annuities – With a variable annuity, the policyholder bears the investment risk because the value of the policyholder's account balance varies with the investment experience of the separate account investment options selected by the policyholder. Our variable annuity products have no guaranteed minimum withdrawal benefits. We are no longer actively selling this product, and the in-force business accounts for less than 1% of our annuities business.

Our annuities segment reported total revenues of $7.3 billion in 2025, $9.6 billion in 2024 and $3.0 billion in 2023, respectively.

Property and Casualty

Our P&C business is operated through subsidiaries of Clearbrook. Our primary P&C insurance products and coverages are as follows:

Property – Property lines offer policies protecting various personal and commercial properties from man-made and natural disasters, including property insurance for homeowners and renters.

Casualty – Casualty lines include a broad range of primary and excess casualty products, such as specialty casualty, construction defect, general liability, commercial multi-peril, workers compensation, product liability, environmental liability and auto liability. Casualty lines are generally considered long-tailed as it takes a relatively long period of time to finalize and resolve all claims from a given accident year. Some products have long claims reporting lags and/or longer time lags for payment of claims.

Specialty – Specialty lines include niche insurance coverages such as garage and inland marine and offer insurance programs and fronting solutions. Specialty lines are considered generally short-tailed as claims are typically known relatively quickly, although it may take a longer period of time to finalize and resolve all claims from a given year.

Run-off and Other – Run-off and Other lines primarily consist of discontinued lines previously underwritten by our insurance subsidiaries, including professional liability and surety coverages.

Our P&C segment reported total revenues of $2.9 billion in 2025, $3.4 billion in 2024 and $2.3 billion in 2023, respectively.

Life Insurance

Our Life Insurance business is operated through subsidiaries of ANGI. Our primary insurance products and coverages are as follows:

Whole Life – Whole life products provide a guaranteed benefit upon the death of the insured in return for the periodic payment of a fixed premium over a predetermined period. Premium payments may be required for the entire life of the contract, to a specified age or a fixed number of years, and may be level or change in accordance with a predetermined schedule. Whole life insurance includes some policies that provide a participation feature in the form of dividends. Policyholders may receive dividends in cash or apply them to increase death benefits or cash values available upon surrender, or reduce the premiums required to maintain the contract in-force.

Universal Life – Universal life insurance products provide coverage through a contract that gives the policyholder flexibility in premium payments and coverage amounts. Universal life products may allow the policyholder, within certain limits, to increase or decrease the amount of death benefit coverage over the term of the contract and to adjust the frequency and amount of premium payments. Universal life products are interest rate sensitive, and we determine the interest crediting rates during the contract period, subject to policy specific minimums. An equity-indexed universal life product is credited with interest using a return that is based, in part, on changes in an index, such as the Standard & Poor's 500 Index (the "**S&P 500**"), subject to a specified minimum.

Variable Universal Life – Variable universal life products provide insurance coverage on a similar basis as universal life, except that the policyholder bears the investment risk because the value of the policyholder's account balance varies with the investment experience of the securities selected by the policyholder held in the separate account.

Our Life Insurance segment reported total revenues of $563 million in 2025, $956 million in 2024 and $1.1 billion in 2023, respectively.

Corporate and Other

Our Corporate and Other segment performs various corporate functions that support our core insurance operations and primarily includes investment income from temporarily warehoused investments that will be transferred to our insurance subsidiaries in the short term, interest expense on borrowings, hedging activities and certain other activities that are not attributable to our operating subsidiaries.

Our Corporate and Other segment reported total revenues of $894 million in 2025, $135 million in 2024 and $493 million in 2023, respectively.

See Note 27, "Segment Reporting" in the notes to the consolidated financial statements for information regarding revenue by segments and geographic market.

Investment Strategy

Our ability to match liabilities with a portfolio of high-quality investments is integral to our overall strategy. Our investment strategy includes investments into commercial and residential mortgage loans as well as private loans with maturities ranging from one-year to greater than 30 years. Our loan portfolio consists of both fixed and variable rate notes with borrowers across diverse geographical locations and property types. Generally, mortgage loans are collateralized by the related property. Please refer to Note 5, "Mortgage Loans on Real Estate" and Note 6, "Private Loans" in the notes to the consolidated financial statements for additional information on our mortgage and private loan portfolios. We leverage our strategic relationship with Brookfield in order to gain access to higher-yielding alternative assets that are well-matched to our liabilities and in turn earn attractive risk-adjusted returns within our business.

Brookfield is a leading global investment firm with more than $1 trillion in assets under management. The firm owns and operates high-quality businesses and real assets that provide essential services and form the backbone of the global economy. Brookfield invests on behalf of institutions and individuals around the world across infrastructure, renewable power and transition, private equity, real estate, and credit. With more than a century of operating experience and a global presence in over 30 countries, Brookfield deploys long-term capital to generate sustainable value for its clients and shareholders. Brookfield Corporation also owns, on a combined basis with BWS, approximately 73% of BAM.

Brookfield provides our operating subsidiaries with a full suite of services relating to our investment portfolios, including direct investment management, asset allocation and portfolio optimization, direct origination and investment structuring and various associated support services including investment compliance, accounting, reporting, tax and legal. We receive these services from Brookfield under the terms of the Investment Management Agreements between BAM and our operating subsidiaries. See Item 10.C "*Material Contracts — Investment Management Agreements*".

In sourcing investment opportunities for our company, Brookfield takes into consideration the unique characteristics of our business, including the nature of our liabilities, our overall risk tolerance and the macroeconomic environment in which we operate. In its capacity as investment manager, Brookfield is bound at all times by the investment guidelines attaching to our various investment accounts, which are set by our operating companies in consideration of the specific legal, contractual and commercial requirements of such accounts in addition to our overall investment objectives.

Competition

The insurance industry is highly regulated. As a result, it can be difficult for insurance companies to differentiate their products, which results in a highly competitive market based largely on price and the customer experience. Our business faces competition from both well established players and new entrants in the industry, including insurance and reinsurance companies, financial institutions and traditional and alternative asset managers.

Across our annuities, P&C, and life insurance businesses where we directly underwrite various insurance policies and coverages, competition may come from both large international carriers and smaller regional carriers in the jurisdictions in which we operate. Strong competition for customers from such firms has led to increased marketing and advertising by our competitors, many of whom have well-established national reputations and greater financial and marketing resources, as well as the introduction of new insurance products and aggressive pricing. These competitive pressures could result in increased pricing pressures on a number of our products and services, particularly as competitors seek to win market share, and may limit our ability to maintain or increase our profitability. Because of its relatively low cost of entry, the Internet has emerged as a significant place of new competition, both from existing competitors and new competitors. In addition, product development and life-cycles have shortened in many product segments, leading to intense competition with respect to product features.

There is also growing competition in the pursuit of inorganic growth through investments and/or strategic partnerships in insurers and reinsurers. Overall, we face competition from other well-capitalized insurance companies, financial institutions and alternative asset managers looking to grow through direct investment and platform acquisitions. We believe our history of executing on complex, large scale transactions, together with our relationship with Brookfield, its strong reputation with financial regulators and potential counterparties, and its extensive track record of sourcing and executing complex transactions provides us with a competitive advantage over others in this space.

Financial Strength and Credit Ratings

Financial strength and credit ratings are an important competitive factor in the insurance and reinsurance industries. They directly affect our company's ability to access funding and the related cost of borrowing, the attractiveness of our products to customers and our attractiveness as a reinsurer to potential ceding companies and requirements for derivatives collateral posting. Ratings are subject to revision or withdrawal at any time by the assigning rating organization, ratings are not a recommendation to buy, sell or hold securities, and each rating should be evaluated independently of any other rating.

Financial strength ratings are directed toward policyholders and not holders of securities. Financial strength ratings represent the opinion of rating organizations regarding the ability of an insurance company to pay obligations under insurance policies and contracts in accordance with their terms.

Credit ratings indicate the rating organization's opinion regarding a debt issuer's ability to meet the terms of debt obligations in a timely manner. They are important factors in our overall funding profile and ability to access certain types of liquidity. Each rating organization has its own capital adequacy evaluation methodology, and assessments are generally based on a combination of factors. In addition to heightening the level of scrutiny that they apply to insurance companies, rating organizations have increased and may continue to increase the frequency and scope of their credit reviews, may request additional information from the companies that they rate and may change the capital and other requirements employed in the rating organization models for maintenance of certain ratings levels.

Rating organizations use an "outlook statement" of "positive," "stable," "negative" or "developing" to indicate a medium- or long-term trend in credit fundamentals which, if continued, may lead to a rating change. A rating may have a "stable" outlook to indicate that the rating is not expected to change; however, a "stable" rating does not preclude a rating organization from changing a rating at any time, without notice. Certain rating organizations assign rating modifiers such as "credit watch" or "under review" to indicate their opinion regarding the potential direction of a rating. These ratings modifiers are generally assigned in connection with certain events such as potential mergers, acquisitions, dispositions or material changes in a company's results, in order for the rating agency to perform its analysis to fully determine the rating implications of the event.

A.M. Best's Financial Strength Ratings range from "A++" (Superior) to "D" (Poor) and include 13 separate ratings categories. A.M. Best's Long-Term Issuer Credit Ratings and Long-Term Issue Credit Ratings range from "aaa" (Exceptional) to "c" (Poor) and include 21 separate ratings categories. As of December 31, 2025, A.M. Best had issued credit or financial strength ratings and outlook statements regarding us as follows:

Company	Financial Strength Rating	Issuer Credit Rating	Issue Credit Rating	Outlook
American Equity Investment Life Insurance Company	A (3rd of 13)	a (6th of 21)	-	Stable
American National Insurance Company	A (3rd of 13)	a (6th of 21)	-	Stable
Eagle Life Insurance Company	A (3rd of 13)	a (6th of 21)	-	Stable
American National Life Insurance Company of New York	A (3rd of 13)	a (6th of 21)	-	Stable
American Equity Investment Life Insurance Company of New York	A (3rd of 13)	a (6th of 21)	-	Stable
American National Life Insurance Company of Texas	A (3rd of 13)	a (6th of 21)	-	Stable
Garden State Life Insurance Company	Au (3rd of 13)	a (6th of 21)	-	Developing
Blumont Annuity Company	A (3rd of 13)	a (6th of 21)	-	Stable
North End Re Ltd.	A- (4th of 13)	a- (7th of 21)	-	Stable
American National Property and Casualty Company	A (3rd of 13)	a (6th of 21)	-	Stable
American National General Insurance Company	A (3rd of 13)	a (6th of 21)	-	Stable
American National Lloyds Insurance Company	A (3rd of 13)	a (6th of 21)	-	Stable
American National County Mutual Insurance Company	A (3rd of 13)	a (6th of 21)	-	Stable
United Farm Family Insurance Company	A (3rd of 13)	a (6th of 21)	-	Stable
Argo Group US, Inc.	-	bbb- (10th of 21)	-	Stable
Argo Re Ltd.	A- (4th of 13)	a- (7th of 21)	-	Stable
Argonaut Insurance Company	A- (4th of 13)	a- (7th of 21)	-	Stable
Colony Insurance Company	A- (4th of 13)	a- (7th of 21)	-	Stable
Argonaut-Midwest Insurance Company	A- (4th of 13)	a- (7th of 21)	-	Stable
Colony Specialty Insurance Company	A- (4th of 13)	a- (7th of 21)	-	Stable
ARIS Title Insurance Company	A- (4th of 13)	a- (7th of 21)	-	Stable
Rockwood Casualty Insurance Company	A- (4th of 13)	a- (7th of 21)	-	Stable
Somerset Casualty Insurance Company	A- (4th of 13)	a- (7th of 21)	-	Stable
Clearbrook Group Holdings Inc.	-	bbb- (10th of 21)	-	Stable
Clearbrook Group Holdings Inc.:				
– Subordinated Notes	-	-	bb+ (11th of 21)	Stable

Fitch's Financial Strength Ratings range from "AAA" (Exceptionally Strong) to "C" (Distressed) and include 22 separate ratings categories. Fitch's Issuer Default Ratings and Issue Credit Ratings range from "AAA" (Highest Credit Quality) to "D" (Default) and include 22 separate ratings categories. As of December 31, 2025, Fitch Ratings had issued credit, default or financial strength ratings and outlook statements regarding us as follows:

Company	Financial Strength Rating	Issuer Default Rating	Issue Credit Rating	Outlook
American Equity Investment Life Insurance Company	A (6th of 22)	-	-	Stable
American National Insurance Company	A (6th of 22)	-	-	Stable
Eagle Life Insurance Company	A (6th of 22)	-	-	Stable
American National Life Insurance Company of New York	A (6th of 22)	-	-	Stable
American Equity Investment Life Insurance Company of New York	A (6th of 22)	-	-	Stable
American National Group Inc.	-	BBB+ (8th of 22)	-	Stable
American National Group Inc.:				
– Senior Unsecured Notes	-	-	BBB (9th of 22)	-
– Preferred Stock	-	-	BB+ (11th of 22)	-
– Subordinated Notes	-	-	BB+ (11th of 22)	-
American National Global Funding:				
– Senior Secured Notes	-	-	A (6th of 22)	-
Clearbrook Group Holdings Inc.[1]	-	-	-	-

(1) On February 12, 2026, Fitch published Clearbrook Group Holdings Inc.'s Issuer Default Rating of "BBB" (9th of 22) with a stable outlook. No Fitch rating was in effect for this entity as of December 31, 2025.

S&P's Insurer Financial Strength Ratings range from "AAA" (Extremely Strong) to "D" (Default) and include 21 separate ratings categories. S&P's Long-term Issuer Credit Ratings and Long-term Issue Credit Ratings range from "AAA" (Extremely Strong) to "D" (Default) and include 21 separate ratings categories. As of December 31, 2025, S&P Global Ratings had issued credit or financial strength ratings and outlook statements regarding us as follows:

Company	Financial Strength Rating	Issuer Credit Rating	Issue Credit Rating	Outlook
American Equity Investment Life Insurance Company	A (6th of 21)	A (6th of 21)	-	Stable
American National Insurance Company	A (6th of 21)	A (6th of 21)	-	Stable
Eagle Life Insurance Company	A (6th of 21)	A (6th of 21)	-	Stable
American National Life Insurance Company of New York	A (6th of 21)	A (6th of 21)	-	Stable
Freestone Re Ltd.	A (6th of 21)	A (6th of 21)	-	Stable
American National Group Inc.	-	BBB (9th of 21)	-	Stable
American National Group Inc.:				
– Senior Unsecured Notes	-	-	BBB (9th of 21)	-
– Preferred Stock	-	-	BB+ (11th of 21)	-
– Subordinated Notes	-	-	BB+ (11th of 21)	-
American National Global Funding:				
– Senior Secured Notes	-	-	A (6th of 21)	-
North End Re Ltd.	A- (7th of 21)	A- (7th of 21)	-	Stable
Argo Group US, Inc.	-	BBB- (10th of 21)	-	Stable
Argonaut Insurance Company	A- (7th of 21)	A- (7th of 21)	-	Stable
Colony Insurance Company	A- (7th of 21)	A- (7th of 21)	-	Stable
Argonaut-Midwest Insurance Company	A- (7th of 21)	A- (7th of 21)	-	Stable
Colony Specialty Insurance Company	A- (7th of 21)	A- (7th of 21)	-	Stable
Clearbrook Group Holdings Inc.	-	BBB- (10th of 21)	-	Stable

Regulatory Framework

Our insurance subsidiaries are subject to regulation and supervision by applicable insurance regulators, statutes and regulations in the jurisdictions in which they operate, including the U.S., Bermuda, Canada, the United Kingdom and the Cayman Islands.

A summary of certain of the laws, regulations and frameworks to which we are currently subject is set forth below.

Bermuda

The Bermuda Insurance Act regulates the insurance business of Bermuda insurance entities and provides that no person may carry on any insurance business in or from within Bermuda unless registered as an insurer under such act by the BMA. The BMA is required by the Bermuda Insurance Act to determine whether the applicant is a fit and proper body to be engaged in the insurance business and, in particular, whether it has, or has available to it, adequate knowledge and expertise to operate an insurance business.

The continued registration of an insurer is subject to the insurer complying with the terms of its registration and such other conditions as the BMA may impose from time to time. The Bermuda Insurance Act also grants to the BMA powers to supervise, investigate and intervene in the affairs of insurance companies.

The Bermuda Insurance Act imposes on Bermuda insurance companies solvency standards as well as auditing and reporting requirements.

NER Ltd. is registered under the Bermuda Insurance Act, as a Class E insurer, to carry on long-term business, generally defined to include life, annuity and accident and health insurance where such contracts are in effect for over five years. Class E is the license class for long-term insurers and reinsurers with total assets of more than $500 million that are not registrable as a single-parent or multi-owner long-term captive insurer or reinsurer. NER Ltd. is not licensed to conduct general business, generally defined to include insurance business that is not long-term or special purpose business, and has not sought authorization as reinsurer in any state or jurisdiction of the U.S.

Freestone Re Ltd. is a wholly owned subsidiary, and affiliated reinsurer, of ANGI, and is registered under the Bermuda Insurance Act, as a Class C insurer, to carry on long-term business. Class C is the license class for long-term insurers and reinsurers with total assets of less than $250 million that are not registrable as a single-parent or multi-owner long-term captive insurer or reinsurer.

Argo Re Ltd. is registered under the Bermuda Insurance Act to carry on general business as a Class 4 insurer. Class 4 is the license class for general business insurers and reinsurers with total statutory capital and surplus of not less than $100,000,000. Argo Re Ltd. is not licensed to conduct long-term business and has not sought authorization as reinsurer in any state or jurisdiction of the U.S.

Each of NER Ltd., Freestone Re Ltd., and Argo Re Ltd., is committed to appropriately responding to all matters that involve sanctions and proliferation matters, including pursuant to the Bermuda International Sanctions Act 2003 and accompanying regulations.

If any person in Bermuda knows or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering, or is involved with terrorism or terrorist financing and the information for that knowledge or suspicion came to their attention in the course of business or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to the Financial Intelligence Agency of Bermuda, the Financial Sanctions Implementation Unit or other relevant authorities as applicable. If any of our Bermuda entities were determined by Bermuda authorities to be in violation of the P*roceeds of Crime Act 1997* and/or the *Anti-Terrorism (Financial and Other Measures) Act 2004* or under any applicable sanctions regime, that entity could be subject to substantial criminal penalties and/or administrative fines.

Minimum Paid Up Share Capital

The Bermuda Insurance Act requires each insurer which has a share capital to maintain a minimum amount paid up on such share capital.

Class E and Class C insurers such as NER Ltd. and Freestone Re Ltd. are required to maintain fully paid-up share capital of at least $250,000.

Class 4 insurers such as Argo Re Ltd. are required to maintain fully paid-up share capital of at least $1,000,000.

Minimum Solvency Margins and ECR

The Bermuda Insurance Act provides that the value of the statutory assets of an insurer must exceed the value of its statutory liabilities by an amount greater than its prescribed minimum margin of solvency ("**MSM**"). The Bermuda Insurance Act further provides that an insurer must maintain statutory economic capital and surplus of an amount that is equal to or exceeds the value of the enhanced capital requirement as prescribed by the Bermuda Insurance Act ("**ECR**").

Commercial insurers must at all times maintain an MSM and an ECR in accordance with the provisions of the Bermuda Insurance Act. The Bermuda Insurance Act mandates certain actions and filings with the BMA if an insurer fails to meet and/or maintain its ECR or MSM, including the filing of a written report detailing the circumstances giving rise to the failure and the manner and time within which the insurer intends to rectify the failure.

The MSM that a Class E insurer such as NER Ltd. is required to maintain with respect to its long-term business is the greater of (i) $8 million, (ii) 2% of the first $500 million of assets plus 1.5% of applicable assets above $500 million or (iii) 25% of the ECR, as reported at the end of the relevant year.

The MSM that must be maintained by a Class C insurer such as Freestone Re Ltd. with respect to its long-term business is the greater of (i) $500,000, (ii) 1.5% of assets or (iii) 25% of the ECR, as reported at the end of the relevant year.

The MSM that must be maintained by a Class 4 insurer such as Argo Re Ltd. with respect to its general business is the greater of (i) $100 million, (ii) 50% of net premiums written (with a credit for reinsurance ceded not exceeding 25% of Gross Premium Written), (iii) 15% of net losses and loss adjustment expenses provisions and other insurance reserves or (iv) 25% of the ECR, as reported at the end of the relevant year.

The BMA has embedded an economic balance sheet framework ("**EBS Framework**") as part of the Bermuda solvency capital requirement as prescribed by the Bermuda Insurance Act ("**BSCR**") that forms the basis for an insurer's ECR. The premise underlying the EBS Framework is the idea that assets and liabilities should be valued on a consistent economic basis. Under the EBS Framework there are two solvency calculations a commercial insurer must: (i) have total statutory capital and surplus, as reported on the insurer's statutory balance sheet, greater than its MSM; and (ii) maintain available statutory economic capital and surplus to an amount that is equal to or exceeds the value of its ECR.

A commercial insurer's ECR is established by reference to the corresponding BSCR model or an approved internal capital model. The BSCR model provides a method for determining an insurer's capital requirements (statutory economic capital and surplus) by taking into account the risk characteristics of different aspects of the insurer's business. The BSCR formula establishes capital requirements for fifteen categories of risk including: fixed income investment risk, equity investment risk, interest rate/liquidity risk, currency risk, concentration risk, credit risk, operational risk, charge for capital adjustment and seven categories of long-term insurance risk. For each category, the capital requirement is determined by applying factors to asset, premium, reserve, creditor, probable maximum loss and operation items, with higher factors applied to items with greater underlying risk and lower factors for less risky items.

Certain notifications must be given to the BMA in the event that an insurer fails to meet its solvency requirements. More specifically, where the MSM is not met, the insurer must immediately notify the BMA of such occurrence and within 14 days of such notification furnish the BMA with a written report containing the particulars of (a) the circumstances leading to the failure; and (b) a plan detailing the manner, specific actions to be taken and time frame in which the insurer intends to rectify the failure. In addition, the insurer may not declare or pay any dividend until the failure is rectified.

Similarly, where an insurer has failed to meet its ECR it must immediately notify the BMA in writing and within 14 days of such notification file with the BMA a written report containing particulars of (x) the circumstances leading to the failure and (y) a plan detailing the manner, specific actions to be taken and time within which the insurer intends to rectify the failure. Within 45 days of becoming aware of the failure to furnish the BMA with (i) unaudited statutory economic balance sheets and unaudited interim financial statements prepared in accordance with U.S. GAAP covering such periods as the BMA may require, (ii) capital and solvency return reflecting an enhanced capital requirement prepared using post failure data where applicable, (iii) long-term business solvency certificate in respect of those statements where applicable and (iv) the opinion of an approved actuary in relation to line 27C of the statutory economic balance sheet where applicable. In addition, the insurer may not declare or pay any dividend until the failure is rectified.

An insurer carrying on long-term insurer business may not declare or pay a dividend to any person other than a policyholder unless the value of the assets of such insurer, as certified by its approved actuary, exceeds its liabilities (as so certified) by the greater of its margin of solvency or, if applicable, its enhanced capital requirement and the amount of any such dividend shall not exceed that excess.

Eligible Capital

To enhance the BMA's ability to assess the quality of an insurer's capital resources, Class C, Class E, and Class 4 insurers, amongst others, are required to disclose the composition of their capital in alignment with the '3-tiered eligible capital system' framework. Under this system, an insurer's capital instruments are classified as either basic or ancillary capital and subsequently assigned to one of three tiers based on their "loss absorbency" characteristics. Tier 1 Capital represents the highest-quality capital, while Tier 2 and Tier 3 Capital are considered of progressively lower quality. The framework imposes specific limits on Tier 1, Tier 2, and Tier 3 Capital that may be applied toward satisfying the insurer's MSM and ECR.

The eligibility criteria for capital instruments to qualify as Tier 1, Tier 2, or Tier 3 Capital are outlined in the Insurance (Eligible Capital) Rules 2012 and its subsequent amendments. Notably, until January 1, 2026, the rules permit the inclusion of certain capital instruments that do not fully meet the standard requirements—such as being non-redeemable or capable of being settled only through the issuance of an instrument of equal or higher quality in the event of, or to prevent, a breach of the ECR—within the eligible capital framework.

Cancellation of Insurer's Registration

An insurer's registration may be canceled at the request of the insurer, or by the BMA on certain grounds specified in the Bermuda Insurance Act, including, but not limited to, where: (i) it is shown that false, misleading or inaccurate information has been supplied to the BMA by an insurer or on its behalf for the purposes of any provision of the Bermuda Insurance Act, (ii) it is shown that two years have elapsed since the date of registration of the insurer and the insurer has not commenced carrying on business, (iii) an insurer has ceased to carry on business, (iv) an insurer has persistently failed to pay fees due under the Bermuda Insurance Act, (v) an insurer has been shown not to have complied with a condition attached to its registration or with a requirement under the Bermuda Insurance Act, (vi) an insurer is convicted of an offence against a provision of the Bermuda Insurance Act, (vii) an insurer is, in the opinion of the BMA found not to have been carrying on business in accordance with sound insurance principles or (viii) any of the minimum criteria for registration under the Bermuda Insurance Act is not or will not have been fulfilled.

Public Disclosure

Commercial insurers are required to prepare a financial condition report, which will be comprised of an electronic version and a printed version, and will be filed with the BMA on or before the date that is four months after the insurer's financial year end. The financial condition report shall provide particulars of the following matters: (a) business and performance; (b) governance structure; (c) risk profile; (d) solvency valuation; (e) capital management; and (f) subsequent events.

An insurer with a website shall publish on its website a copy of the financial condition report within 14 days of the date the report was filed with the BMA. An insurer that does not have a website shall furnish to the public a copy of the financial condition report within ten days of receipt of a request made in writing. Each insurer shall keep copies of the financial condition report at its principal office for a period of five years beginning with its filing date.

Where a significant event occurs after an insurer's financial year end, but before the filing of its financial condition report, the insurer shall submit to the BMA a report on the event at the time of filing its financial condition report. Where a significant event occurs after an insurer's filing date, such insurer shall submit to the BMA a report on the event within 14 days of the occurrence of such event. There are circumstances where the BMA will, upon application and approval, allow exemptions or modifications of the financial condition report requirements.

Disclosure of Information

The BMA may require certain information from an insurer (or certain other persons) to be provided. Further, the BMA has been given powers to assist foreign regulatory authorities with their investigations involving insurance and reinsurance companies in Bermuda, subject to certain restrictions. For example, the BMA must be satisfied that the assistance being requested is in connection with the discharge of regulatory responsibilities of the foreign regulatory authority.

Under the *Bermuda Monetary Authority Act 1969*, as amended, the BMA has been given powers to assist a foreign regulatory authority which has requested assistance in connection with enquiries being carried out by it in the performance of its regulatory functions. The BMA's powers include requiring a person to furnish them with information, to produce documents as they may specify, to attend and answer questions and to give assistance in connection with enquiries. The BMA must be satisfied that the assistance requested by the foreign regulatory authority is for the purpose of its regulatory functions and that the request is in relation to information in Bermuda which a person has in his possession or under his control. The BMA must consider, among other things, whether it is in the public interest to give the information sought. In addition to powers set out above, the BMA also has powers to investigate the affairs of an insurer in certain circumstances.

Non-insurance Business

Bermuda insurers are not permitted to engage in non-insurance business unless such non-insurance business is ancillary to its core business. Non-insurance business means any business other than insurance business and includes carrying on investment business, managing an investment fund as operator, carrying on business as a fund administrator, carrying on banking business, underwriting debt or securities or otherwise engaging in investment banking, engaging in commercial or industrial activities and carrying on the business of management, sales or leasing of real property.

Annual Financial Statements, Annual Statutory Financial Return and Annual Capital and Solvency Return

Bermuda insurers must file annual statutory financial statements, a capital and solvency return and annual audited financial statements within four months of the end of each fiscal year, unless such deadline is specifically extended. The Bermuda Insurance Act also prescribes rules for the preparation and substance of statutory financial statements, which include detailed information and analysis regarding premiums, claims, reinsurance and investments of the insurer.

Fit and Proper Controllers

The BMA maintains supervision over the "controllers" of all registered insurers in Bermuda. For these purposes, a "controller" includes (i) the managing director of the registered insurer or its parent company, (ii) the chief executive of the registered insurer or of its parent company, (iii) a shareholder controller and (iv) any person in accordance with whose directions or instructions the directors of the registered insurer or its parent company are accustomed to act.

The definition of shareholder controller is set out in the Bermuda Insurance Act but generally refers to (i) a person who holds 10% or more of the shares carrying rights to vote at a shareholders' meeting of the registered insurer or its parent company, (ii) a person who is entitled to exercise 10% or more of the voting power at any shareholders' meeting of such registered insurer or its parent company or (iii) a person who is able to exercise significant influence over the management of the registered insurer or its parent company by virtue of its shareholding or its entitlement to exercise, or control the exercise of, the voting power at any shareholders' meeting.

Under the Bermuda Insurance Act, shareholder controller ownership is defined as follows:

Actual Shareholder Controller Voting Power	Defined Shareholder Controller Voting Power
10% or more but less than 20%	10%
20% or more but less than 33%	20%
33% or more but less than 50%	33%
50% or more	50%

Where the shares of a registered insurer, or the shares of its parent company, are traded on a recognized stock exchange, and a person becomes, or ceases to be, a 10%, 20%, 33%, or 50% shareholder controller of the insurer, that shareholder shall, within 45 days, notify the BMA in writing that such shareholder has become, or as a result of a disposition ceased to be, a shareholder controller of any such category.

Any person or entity who contravenes the Bermuda Insurance Act by failing to give notice or knowingly becoming a controller of any description before the required 45 days has elapsed is guilty of an offense under Bermuda law and liable to a fine of $25,000 on summary conviction.

The BMA may file a notice of objection to any person or entity who has become a controller of any category when it appears that such person or entity is not, or is no longer, fit and proper to be a controller of the registered insurer. Before issuing a notice of objection, the BMA is required to serve upon the person or entity concerned a preliminary written notice stating the BMA's intention to issue formal notice of objection. Upon receipt of the preliminary written notice, the person or entity served may, within 28 days, file written representations with the BMA which shall be taken into account by the BMA in making its final determination. Any person or entity who continues to be a controller of any description after having received a notice of objection is guilty of an offense and liable on summary conviction to a fine of $25,000 (and a continuing fine of $500 per day for each day that the offense is continuing) or, if convicted on indictment, to a fine of $100,000 and/or two years in prison.

Notification of Material Changes

All registered insurers are required to give notice to the BMA of their intention to effect a material change within the meaning of the Bermuda Insurance Act. For the purposes of the Bermuda Insurance Act, the following changes are material: (i) the transfer or acquisition of insurance business, including portfolio transfers or corporate restructurings, pursuant to a court-approved scheme of arrangement under Section 25 of the Bermuda Insurance Act or section 99 of the Bermuda Act, (ii) the amalgamation with or acquisition of another firm, (iii) engaging in unrelated business that is retail business, (iv) the acquisition of a controlling interest in an undertaking that is engaged in non-insurance business which offers services and products to persons who are not affiliates of the insurer, (v) outsourcing all or substantially all of the company's actuarial, risk management, compliance or internal audit functions, (vi) outsourcing all or a material part of an insurer's underwriting activity, (vii) the transfer other than by way of reinsurance of all or substantially all of a line of business, (viii) the expansion into a material new line of business, (ix) the sale of an insurer and (x) outsourcing of an "officer" role, as such term is defined by the Bermuda Insurance Act.

A commercial insurer may not take any steps to give effect to a material change unless they have first served notice on the BMA that they intend to effect such material change and before the end of 30 days, either the BMA has notified the insurer in writing that the BMA has no objection to such change or that period has lapsed without the BMA having issued a notice of objection.

Before issuing a notice of objection, the BMA is required to serve upon the insurer a preliminary written notice stating the BMA's intention to issue formal notice of objection. Upon receipt of the preliminary written notice, the insurer may, within 28 days, file written representations with the BMA, which the BMA would take into account in making its final determination.

Supervision, Investigation and Intervention

The BMA may appoint an inspector with powers to investigate the affairs of an insurer if the BMA believes that an investigation is required in the interests of the insurer’s policyholders or potential policyholders. In order to verify or supplement information otherwise provided to the inspector, the BMA may direct an insurer to produce documents or information relating to matters connected with its business.

If it appears to the BMA that there is a risk of an insurer becoming insolvent, or that it is in breach of the Bermuda Insurance Act or any conditions imposed upon its registration, the BMA may, among other things, direct the insurer (i) not to take on any new insurance business, (ii) not to vary any insurance contract if the effect would be to increase its liabilities, (iii) not to make certain investments, (iv) to liquidate certain investments, (v) to maintain or transfer to the custody of a specified bank, certain assets, (vi) not to declare or pay any dividends or other distributions or to restrict the making of such payments, (vii) to limit its premium income, (viii) not to enter into any specified transaction with any specified persons or persons of a specified class, (ix) to provide the BMA with such financial information regarding the insurer as the BMA may request, (x) to obtain the opinion of an actuary loss reserve specialist for submission to the BMA, and (xi) to remove a controller or officer.

Commercial Insurer’s Solvency Self-Assessment

Bermuda law requires each commercial insurer to file annually a commercial insurer’s solvency self-assessment (“**CISSA**”). The CISSA is designed to allow insurers to incorporate an analysis of internal capital needs into risk management frameworks. It also ensures that both capital needs and available capital resources are considered in the development of business strategies and decision-making. The insurer must self-assess its capital requirements with respect to key risk categories and provide appropriate commentary. The insurer incorporates the results from the self-assessment into its key strategic decisions.

Cyber Risk Management and Reporting

Every insurer registered under the Bermuda Insurance Act must adhere to the Insurance Sector Operational Cyber Risk Management Code of Conduct (the “**Cyber Code**”). The Cyber Code establishes duties, requirements, standards, procedures and principles in relation to operational cyber risk management. Failure to comply with provisions set out in the Cyber Code will be a factor taken into account by the BMA in determining whether a registrant is meeting its obligation to conduct its business in a sound and prudent manner.

In addition, the Bermuda Insurance Act requires every insurer, on coming to the knowledge, or where it has reason to believe, that a cyber reporting event has occurred, forthwith notify the BMA. For these purposes, a “cyber reporting event” means any act that results in the unauthorized access to, disruption, or misuse of the electronic systems or information stored on such systems of an insurer, including breach of security leading to the loss or unlawful destruction or unauthorized disclosure of or access to such systems or information, where (a) a cyber reporting event has the likelihood of adversely impacting policyholders or clients, (b) an insurer has reached a view that there is a likelihood that loss of its system availability will have an adverse impact on its insurance business, (c) an insurer has reached a view that there is a likelihood that the integrity of its information or data has been compromised and may have an adverse impact on its insurance business, (d) an insurer has become aware that there is a likelihood that there has been unauthorized access to its information systems whereby such would have an adverse impact on its insurance business or (e) an event has occurred for which a notice is required to be provided to a regulatory body or government agency.

Principal Representative, Principal Office and Head Office

An insurer is required to maintain a principal office and to appoint and maintain a principal representative in Bermuda.

Without a reason acceptable to the BMA, an insurer may not terminate the appointment of its principal representative, and the principal representative may not cease to act as such, unless 30 days’ notice in writing to the BMA is given of the intention to do so. It is the duty of the principal representative to notify forthwith the BMA in such manner as it may direct if the principal representative believes that there is a likelihood of an insurer (for which the principal representative acts) becoming insolvent or that a reportable “event” has, to the principal representative’s knowledge, occurred or is believed to have occurred. Examples of a reportable “event” include a failure by an insurer, to comply substantially with a condition imposed upon it by the BMA relating to a solvency margin or a liquidity or other ratio, a significant loss likely to cause the insurer to fail to comply with its ECR and the occurrence of a “material change” as such term is defined under the Bermuda Insurance Act in its business operations. A written report must set out all the particulars of the case that are available to the principal representative and must be submitted within 14 days of the principal representative’s prior notification to the BMA. Furthermore, where a notification has been made to the BMA regarding a material change, the principal representative has 30 days from the date of such notification to furnish the BMA with unaudited interim statutory financial statements in relation to such period as the BMA may require, together with a solvency certificate in respect of those statements.

If there is a significant loss which is reasonably likely to cause an insurer to fail to comply with its ECR (if applicable), the respective principal representative must also furnish the BMA with a capital and solvency return reflecting an ECR prepared using post-loss data. The principal representative must provide this within 45 days of notifying the BMA of the loss.

The insurance business of a commercial insurer must be directed and managed from Bermuda (i.e., such insurer must maintain a head office in Bermuda) and, in determining whether the insurer complies with this requirement the BMA shall consider, the following factors, among other things: (a) where the underwriting, risk management and operational decision-making of the insurer occurs, (b) whether the presence of senior executives who are responsible for and involved in the decision-making related to the insurance business of the insurer is located in Bermuda and (c) where meetings of the board of directors of the insurer occur. Notwithstanding the considerations set out above, the BMA may also have regard to the following matters: (i) the location where management of the insurer meets to effect policy decisions of the insurer, (ii) the residence of the officers, insurance managers or employees of the insurer and (iii) the residence of one or more directors of the insurer in Bermuda.

Codes of Conduct

Insurers are subject to the Insurance Code of Conduct, as amended (the "**Insurance Code**"), which establishes duties and standards which must be complied with by all insurers registered under the Bermuda Insurance Act, including the procedures and sound principles to be observed by such insurers. Failure to comply with the requirements under the Insurance Code will be a factor taken into account by the BMA in determining whether an insurer is conducting its business in a sound and prudent manner as prescribed by the Bermuda Insurance Act. Failure to comply with the requirements of the Insurance Code could result in the BMA exercising its powers of intervention and will be a factor in calculating the operational risk charge under the BSCR or approved internal model**.** The Insurance Code is divided into six categories, including: the proportionality principle; corporate governance; risk management; governance mechanism; outsourcing; and market discipline and disclosure.

These categories contain the duties, requirements and compliance standards to be adhered to by all insurers. It stipulates that in order to achieve compliance with the Code, insurers are to develop and apply policies and procedures capable of assessment by the BMA.

Insurance Agents are subject to the insurance brokers and insurance agents code of conduct, as amended, which establish duties, requirements and standards such that business operations are conducted in a sound and prudent manner.

Recovery Planning

Beginning May 1, 2025, the BMA will require a recovery plan to be compiled by every insurer that is assessed to be economically important, systematically significant or at risk of posing a threat to the financial stability of Bermuda should they fail. In assessing if an insurer is economically important or if its failure could pose a threat to the financial stability of Bermuda, the BMA will take into consideration (i) the class of registration, (ii) size of market share, (iii) external and internal interconnectedness, (iv) complexity, (v) business model, (vi) risk profile, (vii) suitability, and (viii) the cross-border activities of the insurer.

The recovery plan can be described as a living document which should be periodically tested for ongoing effectiveness. Areas for further improvement should be identified along with an outline of a schedule to address them.

Recovery planning should be integrated into the insurer's ERM framework. An insurer is required to review and update its recovery plan at least once every three years, or when there is a material change in the financial position, strategy, business or risk profile of the insurer. The recovery plan should be filed with the BMA within 30 days of being updated.

PIPA

In January 2025, the *Personal Information Protection Act 2016* ("**PIPA**") came into effect. PIPA regulates the use of personal information to protect the privacy of individuals and compliance with PIPA is under the auspices of the Privacy Commissioner who is appointed by the Governor of Bermuda (the "**Privacy Commissioner**"). PIPA applies to every organization (any individual, entity or public authority including a Bermuda insurer) that uses personal information in Bermuda. All organizations, with some exceptions, will be required to comply with PIPA's "minimum requirements". In addition, subject to certain exceptions, an organization shall provide individuals with a clear and easily accessible statement about certain specified aspects of the organization's practices and policies with respect to its use of personal information.

PIPA imposes certain personal information use rules, limitations, prohibitions and other prescriptions upon organizations. Those include, among others: the prohibition on collecting, using and maintaining any personal information that is excessive to the purposes that the personal information was lawfully and reasonably collected for; and, the prohibition on retaining any personal information for any longer than is necessary for the purpose it was collected for. PIPA also imposes a range of administrative and operational requirements on organizations, which include, among others: the appointment of a privacy officer, the adoption of suitable measures and polices to give effect to the organization's compliance with PIPA, ensuring that all personal information is appropriately safeguarded from the harms addressed in PIPA, and the prohibition from exporting any personal information to overseas third parties unless the export allowance criteria stipulated in PIPA can be satisfied. Insurance companies and intermediaries are also expressly required to comply with PIPA in accordance with the Cyber Code.

The Office of the Privacy Commissioner for Bermuda has broad powers of investigation, dispute resolution, compliance oversight and to take remedial or punitive action against organizations under PIPA. Under PIPA, individuals who have been financially or emotionally harmed by an organization's failure to comply with PIPA are authorized to bring claims for damages against an organization for such failures. In addition to enforcement actions undertaken by the Privacy Commissioner and by individuals under PIPA, the Bermuda Government's Department of Public Prosecutions can also bring actions against organizations and individuals for any offenses related to PIPA.

Bermuda ESA

In December 2018, the Bermuda ESA came into effect. Under the provisions of the Bermuda ESA, every Bermuda registered entity, other than an entity which is resident for tax purposes in certain jurisdictions outside of Bermuda, that carries on as a business any one or more "relevant activities" referred to in the Bermuda ESA must satisfy economic substance requirements by maintaining a substantial economic presence in Bermuda. Under the Bermuda ESA, insurance or holding entity activities (both as defined in the Bermuda ESA and Economic Substance Regulations 2018) are relevant activities. To the extent that the Bermuda ESA applies to any of our entities registered in Bermuda, we will be required to demonstrate how we have complied with economic substance requirements by filing an annual economic substance declaration with the Registrar of Companies in Bermuda.

Any entity that must satisfy economic substance requirements but fails to do so will face automatic disclosure to competent authorities in any jurisdiction in which a holding entity; the ultimate parent entity; an owner; or the beneficial owner, of the entity is incorporated, formed, registered or resident of the information filed by the entity with the Bermuda Registrar of Companies in connection with the economic substance requirements and may also face financial penalties, restriction or regulation of its business activities and/or removal from the list of registered entities in Bermuda.

Bermuda BOA

The Bermuda BOA came into operation on November 3, 2025. The Bermuda BOA consolidated and simplified Bermuda's beneficial ownership regime and introduced new roles and powers for the Bermuda Registrar of Companies. Pursuant to the Bermuda BOA, every legal person shall establish and maintain in accordance with the Bermuda BOA a beneficial ownership register and shall enter in its beneficial ownership register the minimum required information in respect of every registrable person. A legal person whose shares or interest are listed on an appointed stock exchange (which includes the NYSE and the TSX), and any subsidiary of such legal person, is exempted from the application of the Bermuda BOA.

Notwithstanding the exemption noted above, a legal person exempted from the Bermuda BOA shall confirm their exempted status with the Bermuda Registrar of Companies and file with the Bermuda Registrar of Companies proof of that exemption, including the name and jurisdiction of the relevant stock exchange on which the legal person is listed.

United States

Our U.S. domiciled insurance subsidiaries are subject to extensive regulation, primarily at the state level. Such regulation varies by state but generally has its source in statutes that establish requirements for the business of insurance and that grant broad regulatory authority to a state agency. Insurance regulation governs a wide variety of matters, such as insurance company licensing, agent and adjuster licensing, policy benefits, price setting, accounting practices, product suitability, the payment of dividends, the nature and amount of investments, underwriting practices, reserve requirements, sales and advertising practices, privacy practices, information systems security, policy forms, reinsurance reserve requirements, risk and solvency assessments, mergers and acquisitions, corporate governance practices, capital adequacy, transactions with affiliates, participation in shared markets and guaranty associations, claims practices, the remittance of unclaimed property, and enterprise risk management requirements. The models for state laws and regulations often emanate from the National Association of Insurance Commissioners ("**NAIC**"). While it is not mandatory for insurers to comply with an NAIC model law, nor for states to adopt a model law, state and federal legislators and regulators generally look to the model law for guidance in proposing new legislation and regulation.

State insurance departments monitor compliance with regulations through periodic reporting procedures and examinations. At any given time, financial, market conduct or other examinations of our U.S. domiciled insurance subsidiaries may be occurring.

The *Dodd-Frank Wall Street Reform and Consumer Protection Ac*t ("**Dodd-Frank**") expanded the U.S. federal government presence in insurance oversight. Dodd-Frank also established the Federal Insurance Office within the U.S. Department of Treasury, which is authorized to, among other things, gather data and information to monitor aspects of the insurance industry, identify certain issues in the regulation of insurers, and preempt state insurance measures under certain circumstances. Provisions of Dodd-Frank are or may become applicable to us, our competitors, or certain entities with which we do business. For example, it is possible that regulations issued by the Consumer Financial Protection Bureau may extend, or be interpreted to extend, to the sale of certain insurance products by covered financial institutions, which could adversely affect sales of such products. The Federal Insurance Office, as a result of various studies it conducts, may also recommend changes in laws or regulations that affect our business. There may be further federal involvement in the business of insurance in the future, which may add significant legal complexity and associated costs to our business.

Regulatory matters having the most significant effects on our U.S. insurance operations and related financial reporting are described further below.

Holding Company Regulation

We are an insurance holding company system under the insurance laws of the states where we do business. Our insurance companies are organized in multiple U.S. jurisdictions. Insurance holding company system laws and regulations in such states generally require periodic reporting to state insurance regulators of various business, enterprise risk management, corporate governance, and financial matters, as well as advance notice to, and in some cases approval by, such regulators prior to certain transactions between insurers and their affiliates. These laws also generally require regulatory approval prior to the acquisition of a controlling interest in an insurance company. These requirements may deter or delay certain transactions considered desirable by management or our stockholders. The NAIC's Insurance Holding Company System Regulatory Act and the Insurance Holding Company System Model Regulation (together, the "**Holding Company Models**"), versions of which have been enacted by all of the states in the United States in which we have domestic insurers, generally require registration and periodic reporting by insurance companies that are licensed in such jurisdictions and are controlled by other entities. They also require periodic disclosure concerning the entity that controls the registered insurer and the other companies in the holding company system and place limitations on, and require prior approval of, intercompany transactions, including transfers of assets and certain payments of dividends or distributions.

Limitations on Dividends by Insurance Subsidiaries

The ability of our U.S. domiciled insurance subsidiaries to pay dividends is generally limited by state law and is also impacted by federal income tax considerations.

Rate Regulation

Nearly all states have laws that require life, health, credit, and property and casualty insurers to file rate schedules and require most insurers to file policy or coverage forms and other information with the state's insurance regulatory authority. In many cases, these must be approved prior to use. The objectives of rate laws vary, but generally a price cannot be excessive, inadequate, or unfairly discriminatory. Prohibitions on discriminatory underwriting practices apply in the context of certain products as well.

Our ability to adjust premium rates, particularly with certain property and casualty and health insurance products, often depends on the applicable pricing law and our ability to demonstrate to the particular regulator that current or proposed pricing complies with such law. Rate increases that we believe are necessary for our profitability may be delayed or denied as a result of such laws. We manage our risk of loss by charging a price that reflects the cost and expense of providing insurance products and by being selective in underwriting. When a state has significant underwriting and pricing restrictions, it becomes more difficult to manage our risk of loss, which can adversely impact our ability to market products profitably in such states.

Guaranty Associations and Involuntary Markets

State laws allow insurers to be assessed, subject to prescribed limits, insurance guaranty fund fees to pay certain obligations of insolvent insurance companies. In addition, to maintain our licenses to write property and casualty insurance in various states, we are required to participate in assigned risk plans, reinsurance facilities and joint underwriting associations that provide various insurance coverages to purchasers that otherwise are unable to obtain coverage from private insurers.

Investment Regulation

Insurance company investment regulations require investment portfolio diversification and limit the amount of investment in certain asset categories. Failure to comply with these regulations leads to the treatment of non-conforming investments as non-admitted assets for measuring statutory surplus. In some instances, these rules require the sale of non-conforming investments.

Exiting Geographic Markets, Canceling and Non-Renewing Policies

Most states regulate an insurer's ability to exit a market by limiting the ability to cancel and non-renew policies. Some states prohibit an insurer from withdrawing one or more types of insurance business from the state, except pursuant to an approved plan. These regulations may restrict our ability to exit unprofitable markets.

Statutory Accounting

Financial reports to state insurance regulators utilize statutory practices as defined in the Accounting Practices and Procedures Manual of the NAIC, which are different from U.S. GAAP. Statutory accounting practices, in keeping with the intent to assure the protection of policyholders, are generally based on a solvency concept, while financial statements under U.S. GAAP are prepared on a going concern basis. While not a substitute for U.S. GAAP performance measures, statutory information is used by industry analysts and reporting sources to compare the performance of insurance companies and impacts the ability of insurance subsidiaries to pay dividends to the company. Maintaining both U.S. GAAP and statutory financial records increases our business costs.

Pursuant to state insurance laws, we establish statutory reserves, which are reported as liabilities in the separate standalone statutory-basis financial statements of our U.S. insurance subsidiaries, and which generally differ from future policy benefits determined using U.S. GAAP on our respective policies. These statutory reserves are established in amounts sufficient to meet policy and contract obligations, when taken together with expected future premiums and interest at prescribed rates.

Insurance Reserves

State insurance laws require life and property and casualty insurers to annually analyze the adequacy of statutory reserves. Our appointed actuaries must submit opinions annually for our insurance companies that policyholder and claim reserves are adequate.

Risk-Based Capital and Solvency Requirements

The NAIC has a formula for analyzing capital levels of insurance companies called Risk-Based Capital ("**RBC**"). The RBC formula has minimum capital thresholds that vary with the size and mix of a company's business and assets. It is designed to identify companies with capital levels that may require regulatory attention. As of December 31, 2025, the capital level of each of our U.S. insurance company subsidiaries exceeded 300% of their respective Authorized Control Levels, the minimum RBC requirement before any action level is triggered or considered. Every state in the United States has adopted, in substantial part, the RBC Model Law promulgated by the NAIC that allows states to act upon the results of RBC ratio calculations and provides four incremental levels of regulatory action regarding insurers whose RBC ratio calculations fall below specific thresholds. Those levels of action range from the requirement to submit a plan describing how an insurer would regain a specified RBC ratio to a mandatory regulatory takeover of the company.

Risk Management and ORSA

State insurance laws enacted in nearly all U.S. states require insurers that exceed specified premium thresholds to maintain a framework for managing the risks associated with their entire holding company group, including non-insurance companies. In addition, these laws require that, at least annually, the insurer must prepare a summary report (the "**ORSA Report**") regarding its internal assessment of risk management and capital adequacy for the entire holding company group. The ORSA Report is filed on a confidential basis, with the insurance holding company group's lead regulator and made available to other domiciliary regulators within the holding company group.

Securities Regulation

The sale and administration of variable life insurance and variable annuities are subject to extensive regulation at the federal and state level, including by the SEC and the Financial Industry Regulatory Authority ("**FINRA**"). Our variable annuity contracts and variable life insurance policies, other than group unallocated, were issued through separate accounts that are registered with the SEC as investment companies under the Investment Company Act of 1940. Each registered separate account is generally divided into sub-accounts, each of which invests in an underlying mutual fund that is itself a registered investment company under such act. In addition, the variable annuity contracts and variable life insurance policies issued by the separate accounts generally are registered with the SEC under the U.S. Securities Act. The U.S. federal and state regulatory authorities and FINRA, from time to time, make inquiries and conduct examinations regarding our compliance with securities and other laws and regulations.

Suitability

FINRA rules require broker-dealers selling variable insurance products to determine that transactions in such products are "suitable" to the circumstances of the particular customer. In addition, most states have enacted the NAIC's Suitability in Annuity Transactions Model Regulation that, in adopting states, places suitability responsibilities on insurance companies in the sale of fixed and indexed annuities, including responsibilities for training agents. The NAIC has adopted revisions to this model regulation that would further elevate the standard of care for annuity sales and align it with the SEC's Regulation Best Interest. Several states have either adopted the model regulation or are considering adopting the model regulation. We anticipate that the revised model will be adopted in some form by one or more of the states in which we do business. New York has already taken further action, through the adoption by the New York State Department of Financial Services ("**NYDFS**") of a regulation that requires in part that life insurance policies and annuity contracts delivered or issued for delivery in New York be in the best interest of the consumer.

SEC Regulation Best Interest

In June 2019, the SEC adopted a package of rulemakings and interpretative guidance that, among other things, requires broker-dealers to act in the best interest of retail customers when recommending securities transactions or investment strategies to them. The guidance also clarifies the SEC's views of the fiduciary duty that investment advisers owe to their clients. The best interest standards became effective on June 30, 2020.

Protection of Consumer Information

U.S. federal laws, such as the *Gramm-Leach-Bliley Act* ("**GLB**"), and state laws regulate disclosures of certain customer information and require us to protect the security and confidentiality of such information. Such laws also require us to notify customers about our policies and practices relating to the collection, protection and disclosure of confidential customer information. State and federal laws, such as the federal *Health Insurance Portability and Accountability Act* ("**HIPAA**"), regulate our use, protection and disclosure of certain personal health information. In addition, most states have laws or regulations that require us to notify regulators and affected customers in the event of a data breach, and some of these laws and regulations are becoming more stringent by requiring faster notifications and creating private causes of action for violations.

States have also been actively legislating in the area of data privacy and data protection. For example, the California Consumer Privacy Act of 2018 as amended by the Consumer Privacy Rights Act (collectively the "**CCPA**") gives California residents, including employees, expanded rights to access and delete their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used by requiring covered businesses to provide enhanced customer disclosure about how a business collects and uses personal data, how such data is used in business processes, and with and to whom customer data is shared or sold. The CCPA also established a regulatory agency, the *California Privacy Protection Agency* ("**CPPA**") to issue regulations and enforce these requirements. Information that is collected, processed, sold or disclosed pursuant to the *California Financial Information Privacy Act*, GLB, the federal Fair Credit Reporting Act ("**FCRA**"), HIPAA, or the federal Driver's Privacy Protection Act are exempted, but the definition of "personal information" in the CCPA is broad and may encompass other information that we maintain in our California business beyond that excluded under GLB, FCRA, HIPAA, the Driver's Privacy Protection Act, or the California Financial Information Privacy Act exemption. In 2024, the CPPA issued draft regulations covering cybersecurity audits, risk assessments, and automated decision making technology which, if finalized, may impact our information practices. More than a dozen other states have adopted comprehensive privacy laws like California. For example, on March 2, 2021, Virginia enacted the Virginia Consumer Data Protection Act. On June 8, 2021, Colorado passed the Colorado Privacy Act. These state laws give certain consumers data protections rights including the right to opt-out of processing their personal data, the right to delete information, and the right to correct information.

Federally, there are bi-partisan efforts aimed at adopting a federal data protection and privacy law, to which we may become subject if enacted. We anticipate further efforts at the federal and state levels to strengthen the protection of consumer information, and such efforts will continue to have a significant impact on our information practices.

In addition, FCRA is a federal law that governs the use and sharing of consumer credit information provided by a consumer reporting agency. Requirements under FCRA apply to an insurer if such insurer obtains and uses consumer credit information to underwrite insurance. Such requirements may include obtaining the consumer's consent and providing various notices to the consumer. While the use of consumer credit information in the underwriting process is expressly authorized by FCRA, various states have issued regulations that limit or prohibit the use of consumer credit information by insurers, and some consumer groups continue to criticize the use of credit-based insurance scoring in underwriting and rating processes. There may be additional efforts at the federal or state level to regulate the use of credit-based information by insurers. Any such regulation could force changes in our underwriting practices and impact our profitability.

Cybersecurity

In recent years, millions of consumers and businesses have been impacted by data breaches of companies in various industries, increasing the regulatory focus on consumer information protection and data privacy. On August 28, 2017, New York became the first state to adopt minimum cybersecurity standards for certain financial institutions. NYDFS requires financial institutions authorized to do business under New York banking, insurance or other financial services laws, including certain of our subsidiaries, to develop a cybersecurity program and policy based on an assessment of the institution's cybersecurity risks, designate a Chief Information Security Officer, maintain written policies and procedures with respect to third-party service providers, limit who has access to data or systems, use qualified cybersecurity personnel to manage cybersecurity risks, notify NYDFS of a cybersecurity event within seventy-two hours, maintain a written incident response plan, and provide NYDFS with an annual certification of compliance. NYDFS amended its cybersecurity regulations on November 1, 2023 for all covered entities, increasing the requirements for cybersecurity programs, such as additional board reporting, an asset inventory requirement, and business continuity disaster recovery plans.

In addition, the NAIC has adopted the Cybersecurity Bill of Rights, a set of directives aimed at protecting consumer data, and the Insurance Data Security Model Law, a model law patterned after New York's cybersecurity standards. The Insurance Data Security Model Law establishes standards for data security in the insurance industry, including standards for investigating a data breach and requiring certain notifications to regulators, producers and consumers. South Carolina became the first state to adopt the Insurance Data Security Model Law in May 2018. Since then, more states have adopted the model law in some form. In states that have not adopted the Insurance Data Security Model Law, it is not mandatory for insurers to comply with the model law; however, state and federal legislators and regulators are likely to look to the model law, as well as the NYDFS regulation, for guidance in proposing new legislation and regulation. The NAIC has also strengthened and enhanced the cybersecurity guidance included in its handbook for state insurance examiners. We expect a continuing focus at the state and federal levels on the privacy and security of personal information.

Anti-Money Laundering

Federal law and regulations require us to take certain steps to help prevent and detect money laundering activities. The USA PATRIOT Act of 2001 contains anti-money laundering and financial transparency requirements applicable to certain financial services companies, including insurance companies. The Bank Secrecy Act requires insurers to implement a risk-based compliance program to detect, deter and (in some cases) report financial or other illicit crimes including, but not limited to, money laundering and terrorist financing. OFAC administers and enforces economic and trade sanctions. For certain transactions, an insurer may be required to search policyholder, agent, vendor and employee databases for specially designated nationals or suspected terrorists, in order to comply with OFAC obligations.

Healthcare Regulation

We are subject to various conditions and requirements of the Patient Protection and Affordable Care Act of 2010 (the "**Healthcare Act**"). The Healthcare Act affects the small blocks of business we have offered or acquired over the years that are, or are deemed to be, health insurance. The Healthcare Act also influences the design of products sold by our health insurance channel, which may influence consumer acceptance of such products and the cost of monitoring compliance with the Healthcare Act. Moreover, the Healthcare Act affects the benefit plans we sponsor for employees, retirees and their dependents, our expense to provide such benefits, our tax liabilities in connection with the provision of such benefits, and our ability to attract or retain employees. Any repeal, replacement or amendment of the Healthcare Act, or judicial decisions impacting the Healthcare Act, could have similar effects on us.

Climate

The NAIC continues work by its Climate and Resiliency Task Force, with several more states signing up to require insurers domiciled in their states to submit climate disclosure surveys modified to align more closely with the climate disclosure survey developed by the Financial Stability Board's Task Force on Climate-Related Financial Disclosure. NYDFS monitors insurer compliance by examining responses to the NAIC's revised climate disclosure survey.

Other

Other types of regulations that affect us include insurable interest laws, employee benefit plan laws, antitrust laws, employment and labor laws, and federal and state tax laws. Failure to comply with federal and state laws and regulations may result in censure; the issuance of cease-and-desist orders; reputational damage; suspension, termination or limitation of the activities of our operations and/or our employees and agents; or the obligation to pay fines, penalties, assessments, interest, or additional taxes and wages. In some cases, severe penalties may be imposed for breach of these laws. We cannot predict the impact of these actions on our business, results of operations or financial condition.

Canada

BAC Canada is governed by the ICA. The ICA is administered, and activities of BAC Canada are supervised, by OSFI, the primary regulator of Canadian federal financial institutions. The ICA requires the filing of annual and other reports on the financial condition of insurance companies, provides for periodic examinations of insurance companies' affairs, imposes restrictions on transactions with related parties, and sets out requirements governing certain aspects of insurance companies' businesses.

We also operate our annuities business in Canada and the United Kingdom and are licensed in the Cayman Islands. Our Canadian PRT business, operating through BAC Canada, is subject to regulation and supervision by OSFI, and must comply with all applicable Canadian law and federal, provincial and territorial insurance statutes and regulations. OSFI has extensive powers to intervene in the affairs of regulated insurance companies, including the power to request information or documents, to conduct investigations, to require that appropriate actions are taken to address issues identified by OSFI and to levy fines. OSFI may intervene and assume control of an insurance company governed by the ICA if OSFI deems that the amount of the company's available capital is not sufficient.

Investment Powers

Under the ICA, BAC Canada must maintain a prudent portfolio of investments and loans, subject to certain overall limitations on the amount it may invest in certain classes of investments. The Canadian federal government's *Bill C-15 An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025* proposes to amend the ICA (the "**Amendments**") to repeal overall limits on real property, equities and commercial loans and replace these provisions with a new provision that permits OSFI to direct an insurance company to reduce the aggregate value of its interests in real property, equities (other than where the insurance company has a substantial investment (as defined in the ICA)) and commercial loans. OSFI will only be permitted to make such an order on the basis of prudential considerations that it considers relevant. The Amendments are not yet in force but are intended to provide greater flexibility to companies with respect to these types of investments. Additional restrictions (and in some cases, the need for regulatory approvals) limit the type of investment that BAC Canada can make in excess of 10% of the voting rights or 25% of the equity of a body corporate, or in excess of 25% of the ownership interests of an unincorporated entity, subject to certain available exceptions under the ICA.

Restrictions on Shareholder Dividends and Capital Transactions

The ICA prohibits the declaration or payment of any dividend on shares of an insurance company if there are reasonable grounds for believing an insurance company does not have adequate capital and adequate and appropriate forms of liquidity, or declaration or the payment of the dividend would cause the insurance company to be in contravention of any regulation made under the ICA respecting the maintenance of adequate capital and adequate and appropriate forms of liquidity, or any direction made to the company by the Superintendent. The ICA also requires an insurance company to notify the Superintendent of the declaration of a dividend at least 15 days prior to the date fixed for its payment. There is no current intention that BAC Canada will pay dividends.

The ICA also prohibits the purchase for cancellation of shares issued by an insurance company or the redemption of redeemable shares or other similar capital transactions, if there are reasonable grounds for believing that the company does not have, or the payment would cause the company not to have, adequate capital and adequate and appropriate forms of liquidity, or the payment would cause the company to be in contravention of any regulation made under the ICA respecting the maintenance of adequate capital and adequate and appropriate forms of liquidity, or any direction made to the company by the Superintendent. Further, any redemption or purchase for cancellation of shares issued by an insurance company or similar capital transactions are prohibited without the prior approval of the Superintendent.

Constraints on Shares

The ICA contains restrictions on the purchase or other acquisition, issue, transfer and voting of the shares of BAC Canada. Pursuant to these restrictions, no person is permitted to acquire any shares of BAC Canada if the acquisition would cause the person to have a "significant interest" in any class of shares of BAC Canada, unless the prior approval of the Minister of Finance (Canada) is obtained. In addition, BAC Canada is not permitted to record in its securities register any transfer or issue of shares if the transfer or issue would cause the person to have a "significant interest" in BAC Canada, without prior approval of the Minister of Finance (Canada).

A person has a significant interest in a class of shares of BAC Canada where the aggregate of any shares of that class beneficially owned by that person, any entity controlled by that person and by any person associated or acting jointly or in concert with that person exceeds 10% of all the outstanding shares of that class of shares of BAC Canada.

If a person contravenes these restrictions, the Minister of Finance (Canada) may, by order, direct such person to dispose of all or any portion of those shares. In addition, the ICA prohibits life insurance companies, including BAC Canada, from recording in its securities register a transfer or issue of any share to His Majesty in right of Canada or of a province, an agent or agency of His Majesty, a foreign government or an agent or agency of a foreign government and provides further that no person may exercise the voting rights attached to those shares of an insurance company. The ICA exempts from such constraints certain foreign financial institutions which are controlled by foreign governments and eligible agents provided certain conditions are satisfied.

Provincial/Territorial Insurance Regulation

In Canada, life insurance is also subject to regulation and supervision in each province and territory in Canada. Provincial/territorial insurance regulation is primarily concerned with market conduct matters, the rights and obligations under insurance contracts, and the licensing and oversight of insurance intermediaries. In addition to those regulations, guidelines adopted by the Canadian Life and Health Insurance Association, of which BAC Canada is a member, may apply to several aspects of BAC Canada's business and a failure to comply with such guidelines may give rise to regulatory and reputational risk.

Own Risk and Solvency Assessment

In Canada, life insurance companies must conduct an own risk and solvency assessment ("**ORSA**") on a regular basis, which is formally documented in a report at least annually, and more often if circumstances warrant (for example, when there are changes to the insurer's risk profile or risk appetite). OSFI expects the ORSA to be tailored to and cover the consolidated operations of an insurer. OSFI may review the ORSA and, upon request, the ORSA Report (and/or other supporting documentation) in its assessment of the risk profile of an insurer to determine whether the ORSA is consistent with OSFI's understanding and assessment of the insurer's risk appetite and risk profile.

United Kingdom

With the authorization of BAC UK and following the Just Acquisition, our group will include life insurance companies authorized in the U.K.. The FCA and PRA regulate persons carrying out the regulated activities prescribed in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, as amended, in the financial services sector. In this regard, the FCA and PRA are authorized to make rules and issue guidance in relation to a wide sphere of activities encompassing the governance of a firm, the way it conducts its business and the prudential supervision of firms. The FCA regulates the conduct of every authorized firm (including firms who are also regulated by the PRA). The PRA has responsibility for carrying out the prudential regulation of banks, insurance companies and systemically important designated investment firms. These firms are referred to as "dual-regulated" because they are authorized and regulated by the PRA (for prudential matters) and also regulated by the FCA (for conduct matters).

Under FSMA, no person may carry on or purport to carry on a regulated activity by way of business in the U.K., in respect of a specified investment or property, unless they are an authorized or exempt person. A firm that is authorized by the PRA or FCA to carry on regulated activities becomes an authorized person for the purposes of FSMA. "Regulated activities" are currently prescribed in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (as amended) and include insurance-related activities and investment activities (which includes managing investments), as well as certain other activities.

U.K. insurers are subject to the Solvency UK regime, a risk-based prudential framework that requires insurers to maintain capital resources sufficient to withstand severe stress events. Solvency UK includes requirements relating to minimum capital levels, eligible own funds, risk management, governance and regulatory reporting. Certain features of the regime, including the use of internal models and the Matching Adjustment applicable to long-term annuity business, require ongoing regulatory approval and are subject to supervisory review. The PRA has broad supervisory powers, including the ability to impose capital add-ons, restrict dividends or intra-group transactions, require remedial actions or vary regulatory permissions.

The FCA regulates insurers' conduct of business, including product governance, disclosures, pricing, customer communications and complaints handling. U.K. insurers are subject to the Consumer Duty, which requires firms to act to deliver good outcomes for retail customers. Failure to comply with conduct requirements may result in fines, remediation programs or restrictions on business activities.

Cayman Islands

The Cayman Insurance Act regulates the insurance business of our Cayman Islands reinsurance subsidiary, NER SPC, and provides that no person may carry on any insurance business in or from within the Cayman Islands unless that person holds a license issued by CIMA. CIMA is required by the Cayman Insurance Act to determine whether the business to which the application for a license relates would be carried on by persons who are fit and proper persons to be directors or officers of the licensee and, in particular, whether such persons have the adequate knowledge and expertise as CIMA considers appropriate to conduct their respective functions. See below under the heading "— *Fit and Proper Requirements*".

Regulation under the Cayman Insurance Act is a combination of self-regulation, filings of statutory financial statements and certifications as to compliance with the applicable statutory requirements, together with review and investigation by CIMA in specified circumstances. CIMA has wide ranging powers to examine the affairs of insurance companies, with full access to business and other records of these companies and the power to call on NER SPC and compel it to provide any information or explanation relating to NER SPC.

Fit and Proper Requirements

Applicants must demonstrate that the business to which the application for a license under the Cayman Insurance Act relates will be carried on by persons who are fit and proper persons to carry on their respective functions. In determining whether a person is "fit and proper", CIMA will consider, among other things, a person's (a) honesty, integrity and reputation, (b) competence and capability, and (c) financial soundness. CIMA is also bound by the Cayman Insurance Act to consider whether the applicant will be able to comply not only with the requirements of the Cayman Insurance Act but also with the Cayman Islands Anti-Money Laundering Regulations (as revised) and to consider whether the applicant employs personnel with the necessary skills, knowledge and experience and maintains appropriate facilities, books and records.

Categories of Insurance Licenses

There are four main categories of insurance licenses: (a) Class A (domestic) insurers; (b) Class B (captives); (c) Class C (cat-bond or special purpose insurers); and (d) Class D (reinsurers).

NER SPC currently holds a class D license. A class D insurer may carry on reinsurance business and any such other business as may be approved by CIMA.

Cayman ESA

The Cayman ESA initially came into operation on January 1, 2019. Under the provisions of the Cayman ESA, the following entities (each as further detailed therein) a Cayman Islands relevant entity, an overseas company registered in the Cayman Islands, a limited liability company, a limited liability partnership, a foreign limited partnership, an exempted limited partnership and a partnership (other than a local partnership) that carries on as a business activity any one or more of the nine "relevant activities" referred to in the Cayman ESA must satisfy economic substance test by maintaining a substantial economic presence in the Cayman Islands.

Under the Cayman ESA, the business activity of an insurance business (as defined in the Cayman Insurance Act) or a holding company business (as defined in the Cayman ESA) are regarded as relevant activities for the purposes of the Cayman ESA. To the extent that the Cayman ESA applies to any of our entities registered in the Cayman Islands, we are required to demonstrate compliance with economic substance test by filing an annual economic substance declaration with the relevant registrar in the Tax Information Authority within twelve months after the last day of each financial year end for each relevant entity.

A relevant entity failing to satisfy the economic substance test may be subject to monetary penalties and to an order from the Grand Court upon receipt of an application from the relevant registrar (i.e., in the case of a company, the registrar of companies) for subsequently failing to satisfy the economic substance test for consecutive financial reporting periods.

Cayman BOTA

The Cayman Islands beneficial ownership transparency regime, as implemented under the Cayman BOTA, which was enacted on July 31, 2024 and became fully operative and enforceable on January 1, 2025, establishes a framework requiring certain Cayman Islands entities to identify, maintain and disclose information relating to their beneficial owners. Under this regime, Cayman Islands companies, limited liability companies, limited liability partnerships, exempted limited partnerships, foreign companies registered in the Cayman Islands, and other in-scope entities (subject to applicable exemptions as outlined below) are required to determine and record details of individuals who ultimately own or control such entities, whether directly or indirectly, in accordance with the statutory definitions and requirements set out in the Cayman BOTA and related guidance.

To the extent that the Cayman BOTA applies to any of our entities registered in the Cayman Islands, entities carrying on an insurance business regulated in the Cayman Islands or those that are subsidiaries of a publicly listed company on an approved stock exchange may satisfy their obligations under the Cayman BOTA through an alternate route to compliance, on the basis that their beneficial ownership information has been submitted to CIMA and/or the ultimate parent is subject to applicable public disclosure and transparency requirements. In such circumstances, the relevant Cayman regulated entity is not required to identify or disclose individual beneficial owners on the beneficial ownership platform in the standard manner, but is instead required to maintain and confirm prescribed information relating to its regulation by CIMA and/or its listed parent and to ensure that such information remains accurate and up to date in accordance with the statutory requirements and timeframes. Notwithstanding reliance on an alternate route to compliance, any failure to comply with applicable beneficial ownership obligations may expose the entity and/or relevant persons to administrative fines, regulatory sanctions, and other enforcement action by the competent authority, and, in serious or continued cases, to further remedial or court-ordered measures.

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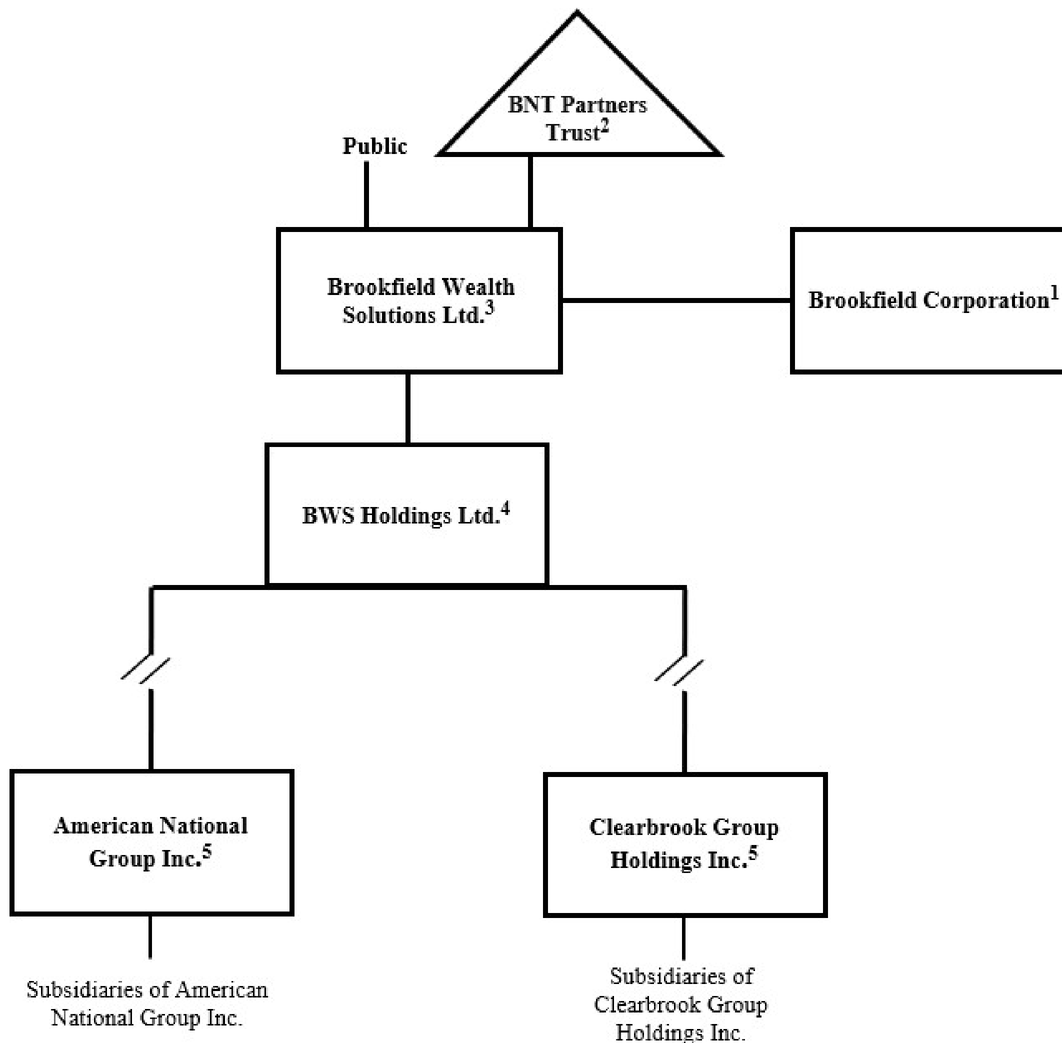
ITEM 4.C ORGANIZATIONAL STRUCTURE

Organizational Chart

The following diagram provides an illustration of the simplified corporate structure of our company and its significant subsidiaries.



(1) Jurisdiction of formation is the Province of Ontario, Canada. Brookfield Corporation holds, directly or indirectly, all of our class C shares, giving it the residual economic interest in our company.

(2) The holder of our class B shares, all of which are held through the BNT Trust, are entitled to elect half of our Board and approve all other matters requiring shareholder approval.

(3) Jurisdiction of incorporation is Bermuda. All of our subsidiaries are 100% owned directly or indirectly by our company.

(4) Jurisdiction of incorporation is Bermuda.

(5) Jurisdiction of formation is the State of Delaware, United States. This entity was formerly known as Argo Group International Holdings, Inc.

Our company

Brookfield Wealth Solutions Ltd. was incorporated on December 10, 2020 under the Bermuda Act as an exempted company limited by shares. Our company is focused on securing the financial futures of individuals and institutions through a range of retirement services, wealth protection products and tailored capital solutions. Through our operating subsidiaries, we offer a broad range of insurance products and services, including retail and institutional annuities, commercial property and casualty insurance and reinsurance. In doing so, we seek to match our liabilities with a portfolio of high-quality investments in order to generate attractive, risk-adjusted returns within our business. We leverage our relationship with Brookfield in order to source new business and deploy our capital in assets that are tailored to our investment needs. Our relationship with Brookfield provides us with access to a diverse mix of leading alternative investment strategies that we believe are well-suited for this purpose.

Our head and registered office as well as our principal executive offices are located at Ideation House, First Floor, 94 Pitts Bay Road, Pembroke HM08 Bermuda, and our telephone number is +1 (441) 405-7811.

The class A exchangeable shares are listed on the TSX and the NYSE under the symbol “BNT”.

Each exchangeable share is structured with the intention of providing an economic return equivalent to one Brookfield Class A Share. As such, we refer to our company as a “paired entity” to Brookfield Corporation because (A) each exchangeable share (i) is exchangeable at the option of the holder for one Brookfield Class A Share or its cash equivalent (the form of payment to be determined at the election of Brookfield Corporation), plus all unpaid distributions, if any, subject to certain limitations as more fully described in this Form 20-F, and (ii) receives distributions at the same time and in the same amounts as dividends on the Brookfield Class A Shares as more fully described in Item 10.B “*Memorandum and Articles of Association*”, and (B) Brookfield Corporation owns, directly or indirectly, 100% of our class C shares. We therefore expect that the market price of our exchangeable shares should be impacted by the market price of the Brookfield Class A Shares and the business performance of Brookfield Corporation. However, there are certain material differences between the rights of holders of exchangeable shares and holders of the Brookfield Class A Shares under the governing documents of our company and Brookfield Corporation and applicable law, such as the right of holders of exchangeable shares to request an exchange of their exchangeable shares for an equivalent number of Brookfield Class A Shares or its cash equivalent (the form of payment to be determined at the election of Brookfield Corporation), the redemption right of our company, subject to the consent of Brookfield Corporation, and the right of Brookfield Corporation to require us to commence a liquidation of the company upon the occurrence of certain events. These material differences are described in the section entitled Item 10.B “*Memorandum and Articles of Association*”.

Brookfield Corporation

Brookfield Corporation is focused on deploying its capital on a value basis and compounding it over the long term. This capital is allocated across its three core pillars of alternative asset management, wealth solutions and its operating businesses. Employing a disciplined approach, Brookfield Corporation leverages its deep expertise as an owner and operator of real assets, as well as the scale and flexibility of capital, to create value and deliver strong risk-adjusted returns across market cycles.

The Brookfield Class A Shares are listed on the NYSE and TSX under the symbol “BN”.

Brookfield Corporation was formed by articles of amalgamation dated August 1, 1997 and is organized pursuant to articles of arrangement under the OBCA dated December 9, 2022. Brookfield Corporation’s head and registered office, as well as its principal executive offices, is located at Brookfield Place, 181 Bay Street, Suite 100, P.O. Box 762, Toronto, Ontario M5J 2T3, and its telephone number is +1 (416) 363-9491.

For more information regarding Brookfield Corporation, see Item 7.B “*Related Party Transactions*” and Item 10.H “*Documents on Display*” for how you can obtain more information on Brookfield Corporation.

Price Range and Trading Volume of Brookfield Class A Shares

The Brookfield Class A Shares are listed and posted for trading on the TSX under the symbol “BN”. The following table sets forth the price ranges (after accounting for the effect of special dividend) and trading volumes of the Brookfield Class A Shares as reported by the TSX for the periods indicated, in Canadian dollars:

	Brookfield Class A Shares		
	High (C$)[(1)]	**Low (C$)**[(1)]	**Volume**[(1)]
2026			
January 1, 2026 – March 23, 2026	68.44	52.04	180,763,255
2025			
January 1, 2025 – March 31, 2025	60.46	46.77	157,525,980
April 1, 2025 – June 30, 2025	56.73	41.25	180,988,097
July 1, 2025 – September 30, 2025	68.39	55.33	163,621,109
October 1, 2025 – December 31, 2025	68.11	58.75	144,371,819
2024			
January 1, 2024 – March 31, 2024	38.91	33.65	165,275,079
April 1, 2024 – June 30, 2024	41.07	35.18	178,713,334
July 1, 2024 – September 30, 2024	48.74	37.35	159,703,373
October 1, 2024 – December 31, 2024	58.43	47.17	156,003,153
2023			
January 1, 2023 – March 31, 2023	34.33	25.95	185,562,468
April 1, 2023 – June 30, 2023	30.21	26.98	166,521,759
July 1, 2023 – September 30, 2023	32.63	28.16	155,044,195
October 1, 2023 – December 31, 2023	36.14	26.71	142,444,656

(1) Adjusted to reflect the three-for-two stock split completed on October 9, 2025.

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The Brookfield Class A Shares are listed and posted for trading on the NYSE under the symbol "BN". The following table sets forth the price ranges and trading volumes of the Brookfield Class A Shares as reported by the NYSE for the periods indicated, in U.S. dollars:

	Brookfield Class A Shares		
	High ($)[1]	**Low ($)[1]**	**Volume[1]**
2026			
January 1, 2026 – March 23, 2026	49.57	37.93	327,466,597
2025			
January 1, 2025 – March 31, 2025	41.85	32.39	246,777,356
April 1, 2025 – June 30, 2025	41.51	29.07	244,445,766
July 1, 2025 – September 30, 2025	49.47	40.53	242,111,790
October 1, 2025 – December 31, 2025	48.80	42.00	236,035,121
2024			
January 1, 2024 – March 31, 2024	28.78	25.18	237,232,657
April 1, 2024 – June 30, 2024	30.07	25.45	355,171,999
July 1, 2024 – September 30, 2024	36.19	27.21	260,759,224
October 1, 2024 – December 31, 2024	41.63	34.72	164,360,524
2023			
January 1, 2023 – March 31, 2023	25.65	18.83	265,493,095
April 1, 2023 – June 30, 2023	22.52	19.90	193,788,538
July 1, 2023 – September 30, 2023	24.15	20.75	215,337,694
October 1, 2023 – December 31, 2023	27.37	19.23	273,227,992

(1) Adjusted to reflect the three-for-two stock split completed on October 9, 2025.

Significant Subsidiaries

The following table provides the name, the percentage of voting securities owned, or controlled or directed, directly or indirectly, by us, and the jurisdiction of incorporation, continuance, formation or organization of our significant subsidiaries as of December 31, 2025.

Company	Jurisdiction of Incorporation or Organization	Percentage of voting securities owned or controlled (%)
BWS Holdings Ltd.	Bermuda	100%
American National Group Inc.	Delaware	100%
Clearbrook Group Holdings Inc.	Delaware	100%

ITEM 4.D PROPERTY, PLANT AND EQUIPMENT

Our company's head and registered office is located at Ideation House, First Floor, 94 Pitts Bay Road, Pembroke, HM08, Bermuda. Our company is a holding company and our material assets consist solely of interests in our operating subsidiaries. We do not directly own any real property. See also the information contained in this Form 20-F above under the heading "*Risk Factors — Risks Relating to Our Operating Subsidiaries and Industry*" and below under the heading "*Operating and Financial Review and Prospects*".

ITEM 4A UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5 OPERATING AND FINANCIAL REVIEW AND PROSPECTS

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

ITEM 5.A OPERATING RESULTS

Introduction

This management's discussion and analysis ("**MD&A**") covers the financial position as of December 31, 2025 and 2024 and the results of operations for the years ended December 31, 2025, 2024 and 2023. Unless the context requires otherwise, when used in this MD&A, the terms "we", "us", "our", or the "Company" mean Brookfield Wealth Solutions Ltd., together with all of its subsidiaries and the term "Brookfield" means Brookfield Corporation, its subsidiaries and controlled companies, including, unless the context otherwise requires, Brookfield Asset Management Ltd. ("**BAM**") and any investment fund sponsored, managed or controlled by Brookfield Corporation or its subsidiaries, and does not, for greater certainty, include us or Brookfield Oaktree Holdings, LLC and Oaktree Capital Holdings, LLC and their respective subsidiaries.

In addition to historical information, this MD&A contains forward-looking statements. Readers are cautioned that these forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. See "Forward-Looking Statements" within this Form 20-F.

The information in this MD&A should be read in conjunction with the consolidated financial statements prepared in conformity with accounting principles generally accepted in the United States of America ("**GAAP**") as of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023.

Overview of Our Business

Our company is an exempted company limited by shares incorporated under the laws of Bermuda on December 10, 2020. The Company holds a direct 100% ownership interest in BWS Holdings Ltd. ("**BWS Holdings**"), which holds the Company's interest in its operating subsidiaries, which are: American National Group Inc. ("**ANGI**"), Clearbrook Group Holdings Inc. ("**Clearbrook**", renamed from Argo Group International Holdings, Inc. in January 2026), Blumont Annuity Company ("**BAC Canada**"), Blumont Annuity Company UK Ltd ("**BAC UK**"), North End Re Ltd. ("**NER Ltd.**") and North End Re (Cayman) SPC ("**NER SPC**").

In May 2024, American Equity Investment Life Holding Company ("**AEL**") became a wholly-owned subsidiary of BWS Holdings. Following the acquisition of AEL, American National Group, LLC ("**American National**") completed a downstream merger with AEL. Subsequently, AEL changed its name to American National Group Inc. Following this merger, American National and AEL generally maintain independent insurance operations while sharing certain corporate and management activities. As such, we continue to make references, where applicable, to the operating results of American National and AEL separately in this MD&A. For further details of the Company's acquisition of AEL and post-merger reorganization, see Note 16, "Acquisitions" in the notes to the consolidated financial statements.

Our company is focused on securing the financial futures of individuals and institutions through a range of retirement services, wealth protection products and tailored capital solutions. Our business is presently conducted through our subsidiaries under four reporting segments, which are Annuities, Property and Casualty ("**P&C**"), Life Insurance and Corporate and Other. The principal operating entities of the Company generally maintain their own independent management and infrastructure. Refer to the "Lines of Business" section within this MD&A for further details on our operating segments' businesses.

Key Financial Data

The following table presents key financial data of the Company:

AS OF AND FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024	2023
Total assets	**$ 157,181**	$ 139,953	$ 61,643
Net income	**863**	1,247	797
Adjusted Equity[1]	**16,837**	11,760	8,671
Distributable Operating Earnings[1]	**1,699**	1,374	745

(1) Adjusted Equity and Distributable Operating Earnings are Non-GAAP measures. See "Reconciliation of Non-GAAP Measures".

Operating Results and Financial Review

CONSOLIDATED RESULTS OF OPERATIONS

The following table summarizes the financial results of our business for the years ended December 31, 2025, 2024 and 2023:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
Net premiums	$ 4,487	$ 8,267	$ 4,137
Other policy revenue	790	781	413
Net investment income	5,819	4,264	1,809
Investment related gains	485	369	425
Net investment results from reinsurance funds withheld	54	422	128
Total revenues	11,635	14,103	6,912
Policyholder benefits and claims incurred	(4,489)	(8,162)	(3,939)
Interest sensitive contract benefits	(2,072)	(1,874)	(687)
Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired	(1,418)	(1,237)	(632)
Change in fair value of insurance-related derivatives and embedded derivatives	(219)	234	41
Change in fair value of market risk benefits	(725)	(107)	166
Other reinsurance expenses	(5)	(26)	(21)
Operating expenses	(1,361)	(1,356)	(777)
Interest expense	(379)	(362)	(249)
Total benefits and expenses	(10,668)	(12,890)	(6,098)
Net income before income taxes	967	1,213	814
Income tax recovery (expense)	(104)	34	(17)
Net income	863	1,247	797
Less: non-controlling interests	(97)	(33)	(1)
Net income attributable to shareholders	$ 766	$ 1,214	$ 796

2025 vs. 2024

For the year ended December 31, 2025, we reported net income of $863 million, compared to net income of $1.2 billion in the prior year. The decrease of $384 million is primarily driven by unfavorable fair value movements in our fixed index annuity reserves due to movements in interest rates and equity market performance used in the valuation of these liabilities, partially offset by increased net investment income. The prior year included $314 million of a non-recurring deferred income tax recovery in relation to the corporate income tax regime in Bermuda.

Net premiums and other policy revenue were $5.3 billion for the year ended December 31, 2025, compared to $9.0 billion in the prior year. The decrease of $3.8 billion is primarily driven by fewer jumbo deals written in our PRT business as compared to the prior year, coupled with the phased withdrawal from non-core businesses in our P&C segment. Premiums received from retail annuities and funding agreements are generally recorded as deposits and are not included in net premiums. Refer to “Net Premiums” and “Gross Annuity Sales” sections within this MD&A for further details.

Net investment income increased by $1.6 billion for the year ended December 31, 2025, relative to the prior year. Net investment income is comprised of interest and dividends earned on fixed income and equity investments, as well as other miscellaneous income from equity accounted investments primarily consisting of real estate partnerships and investment funds. The increase from the prior year was driven by the growth in our investment portfolio due to a full year contribution from AEL, coupled with the continued rotation into higher yielding investment strategies.

Investment related gains and losses increased by $116 million for the year ended December 31, 2025, relative to the prior year. The increase is primarily due to realized losses on available-for-sale fixed maturity securities recognized in the prior year.

Net investment results from reinsurance funds withheld decreased by $368 million for the year ended December 31, 2025, compared to the prior year. The decrease is primarily driven by reduced investment income recognized through reinsurance funds withheld following the deemed settlement of a previously held reinsurance agreement with AEL post our acquisition (See Note 16, “Acquisitions” in the notes to the consolidated financial statements).

Interest sensitive contract benefits represent interest and equity index credited to policyholders’ account balances (“**PAB**”) from our investment contracts with customers, as well as amortization of deferred revenue. For the year ended December 31, 2025, the amount increased by $198 million relative to the prior year primarily due to the full year impact from AEL’s PAB liabilities.

Amortization of deferred policy acquisition costs ("**DAC**"), deferred sales inducements ("**DSI**") and value of business acquired ("**VOBA**") were $1.4 billion for the year ended December 31, 2025, compared to $1.2 billion in the prior year. The increase of $181 million was driven by the growth in DAC and DSI from new sales in the year, and a full year of amortization of VOBA on previously acquired businesses.

Change in fair value of insurance-related derivatives and embedded derivatives represents the fair value change of call options used to fund the equity-indexed annuity and universal life contracts as well as the fair value change of embedded derivatives of these contracts. Fair value changes are impacted by the expected and actual performance of the indices the call options relate to as well as interest rates used to estimate our embedded derivatives. The decrease of $453 million is attributable to the change in interest rates and equity market performance used in the valuation of these liabilities.

Change in fair value of market risk benefits represents the mark-to-market movements of our liability based on the protection to the policyholder from capital market risks. The loss of $725 million for the year ended December 31, 2025 is primarily due to the assumption of AEL's market risk benefit liabilities coupled with movements in interest rates and equity markets used in the valuation of these liabilities.

Other reinsurance expenses decreased by $21 million. The decrease is due to reduced expenses from our reinsurance assumed businesses as a result of the deemed settlement of a previously held reinsurance agreement between NER SPC and AEL in the second quarter of 2024.

Operating expenses increased by $5 million for the year ended December 31, 2025, compared to the prior year. The increase was primarily driven by additional costs incurred to support the continued growth of our business.

Interest expense increased by $17 million for the year ended December 31, 2025, compared to the prior year. The increase is primarily driven by additional borrowings through our warehouse facilities to support investment purchases.

Distributable operating earnings ("**DOE**") increased by $325 million to $1.7 billion for the year ended December 31, 2025. Please refer to the "Segment Review" section within this MD&A for additional details.

2024 vs. 2023

For the year ended December 31, 2024, we reported net income of $1.2 billion compared to a net income of $797 million in the prior year. The increase of $450 million is primarily driven by the contributions of AEL and Clearbrook during the year, growth in our existing businesses and continued redeployment of capital into higher yielding investment strategies. Our net income for the year ended December 31, 2024 included a non-recurring deferred income tax recovery in relation to the corporate income tax regime in Bermuda.

Net premiums and other policy revenue were $9.0 billion for the year ended December 31, 2024, compared to $4.6 billion in the prior year. The increase of $4.5 billion is primarily attributable to the contributions from AEL and Clearbrook and growth in our PRT business.

Net investment income increased by $2.5 billion for the year ended December 31, 2024, relative to the prior year. The increase in 2024 was driven by the growth in our investment portfolio due to the contribution from AEL and Clearbrook and continued rotation into higher yielding investment strategies.

Investment related gains and losses decreased by $56 million for the year ended December 31, 2024, relative to the prior year. The decrease is primarily driven by realized losses on investments transferred as a reinsurance agreement executed in the third quarter of 2024 partially offset by appreciation in our equity securities portfolio. Please refer to Note 12, "Reinsurance" in the notes to the consolidated financial statements for additional information on the reinsurance agreement.

Net investment results from reinsurance funds withheld increased by $294 million for the year ended December 31, 2024 compared to the prior year. The increase is primarily driven by mark-to-market gains on embedded derivatives arising from our modified coinsurance reinsurance treaties, offset by reduced investment income from NER SPC, following the deemed settlement of a previously held reinsurance agreement with AEL post our acquisition (See Note 16, "Acquisitions" in the notes to the consolidated financial statements).

For the year ended December 31, 2024, interest sensitive contract benefits increased by $1.2 billion primarily driven by the assumption of AEL's PAB liabilities.

Amortization of DAC, DSI and VOBA were $1.2 billion for the year ended December 31, 2024, compared to $632 million in the prior year. The increase of $605 million was primarily driven by the amortization of VOBA arising from the acquisition of AEL and Clearbrook.

Change in fair value of insurance-related derivatives and embedded derivatives increased by $193 million for the year ended December 31, 2024 and is attributable to changes in interest rates and equity market performance used in the valuation of these liabilities.

We recognized a loss of $107 million in the change in fair value of market risk benefits for the year ended December 31, 2024. The loss is primarily driven by the assumption of AEL's market risk benefit liabilities.

Other reinsurance expenses increased by $5 million for the year ended December 31, 2024. The increase is driven by increased ceded reinsurance exposures following the acquisition of AEL, partially offset by the reduced expenses from our reinsurance assumed businesses as a result of the deemed settlement of a previously held reinsurance agreement between NER SPC and AEL.

Operating expenses were $1.4 billion for the year ended December 31, 2024, compared to $777 million in the prior year period. The increase of $579 million was primarily driven by the contribution of expenses from AEL and Clearbrook, as well as additional costs incurred to support the continued growth of our business.

Interest expense increased by $113 million for the year ended December 31, 2024, compared to the prior year. The increase was primarily driven by debt assumed and raised through our acquisition of AEL.

DOE increased by $629 million to $1.4 billion for the year ended December 31, 2024. Please refer to the "Segment Review" section within this MD&A for additional details.

CONSOLIDATED FINANCIAL POSITION

The following table summarizes the financial position as of December 31, 2025 and 2024:

AS OF DEC. 31 US$ MILLIONS	2025	2024
Assets		
Investments	$ 110,044	$ 92,966
Cash and cash equivalents	13,014	12,243
Accrued investment income	892	860
Deferred policy acquisition costs, deferred sales inducements and value of business acquired	11,683	10,696
Reinsurance funds withheld	1,435	1,517
Premiums due and other receivables	620	647
Ceded unearned premiums	352	520
Deferred tax asset	687	760
Reinsurance recoverables and deposit assets	12,151	13,195
Property and equipment	290	272
Intangible assets	1,625	1,690
Goodwill	783	783
Other assets	2,783	2,461
Separate account assets	822	1,343
Total assets	157,181	139,953
Liabilities		
Future policy benefits	16,249	14,088
Policyholders' account balances	92,992	83,079
Policy and contract claims	7,277	7,659
Deposit liabilities	1,419	1,502
Market risk benefits	4,536	3,655
Unearned premium reserve	1,272	1,843
Due to related parties	819	684
Other policyholder funds	360	347
Notes payable	205	189
Corporate borrowings	628	17
Non-recourse borrowings	4,857	4,334
Funds withheld for reinsurance liabilities	3,157	3,392
Other liabilities	4,671	4,745
Separate account liabilities	822	1,343
Total liabilities	139,264	126,877
Equity		
Class A exchangeable, Class B and Class C	13,645	9,968
Retained earnings	2,820	2,054
Accumulated other comprehensive income	1,121	204
Non-controlling interests	331	850
Total equity	17,917	13,076
Total liabilities and equity	$ 157,181	$ 139,953

Comparison as of December 31, 2025 and 2024

Total assets increased by $17.2 billion during the year to $157.2 billion, primarily driven by net annuity inflows, investment purchases and favorable unrealized fair value movements on our equity securities portfolio.

Cash and cash equivalents increased by $771 million from December 31, 2024 to December 31, 2025, primarily driven by annuity sales during the year not yet deployed into our investment strategies. We continue to maintain a strong liquidity position across our segments. For further information, refer to “Liquidity and Capital Resources” section, including “Cash Flows Review” section, within this MD&A.

Total investments increased by $17.1 billion from December 31, 2024 to December 31, 2025, primarily driven by the continued deployment of annuity sales into investment strategies, investment purchases and favorable unrealized fair value movements on our equity securities portfolio.

The decrease in reinsurance funds withheld of $82 million from December 31, 2024 to December 31, 2025 was primarily driven by changes in the value of their embedded derivative arising from the changes in interest rates used in its valuation.

DAC are capitalized costs directly related to writing new policyholder contracts including commissions. DSI consist of premium and interest bonuses credited to PAB. The VOBA intangible asset arose from our business combinations. The increase from December 31, 2024 to December 31, 2025 was driven by new business written during the year.

Ceded unearned premiums represent a portion of unearned premiums ceded to reinsurers. The decrease of $168 million from December 31, 2024 to December 31, 2025 is primarily driven by the recognition of earned premiums subject to reinsurance.

Reinsurance recoverables and deposit assets are estimated amounts due to the Company from reinsurers or cedants, related to paid and unpaid ceded benefits, claims and expenses and are presented net of reserves for collectability. The decrease of $1.0 billion from December 31, 2024 to December 31, 2025 is driven by a reduction in associated insurance liabilities.

Other assets were $2.8 billion as of December 31, 2025, increasing by $322 million from December 31, 2024. The balance includes current tax assets, market risk benefit asset, prepaid pension assets, as well as other miscellaneous receivables. The increase is primarily driven by an increase in market risk benefit asset due to movements in interest rates and equity markets used in its valuation.

Intangible assets decreased by $65 million from December 31, 2024 to December 31, 2025, principally due to the amortization of intangible assets during the year.

Goodwill consists of $662 million arising from the acquisition of AEL in May 2024 as well as $121 million arising from the acquisition of American National in May 2022.

Separate account assets and liabilities both decreased by $521 million from December 31, 2024 to December 31, 2025, principally due to transfers made to the general account.

Future policy benefits and PAB increased by $12.1 billion from December 31, 2024 to December 31, 2025, primarily driven by annuity sales coupled with fair value movements on our embedded derivatives during the year.

Policy and contract claims decreased by $382 million from December 31, 2024 to December 31, 2025, driven by favorable loss experience in our P&C segment during the year.

Corporate and non-recourse borrowings increased by $1.1 billion from December 31, 2024 to December 31, 2025, primarily driven by additional secured borrowings through our warehouse facilities to support investment purchases.

Total equity increased by $4.8 billion from December 31, 2024 to December 31, 2025. The increase was primarily driven by the issuance of incremental Class C shares, coupled with comprehensive income of $1.8 billion recognized during the year.

SEGMENT REVIEW

The Company's reporting segments are Annuities, P&C, Life Insurance and Corporate and Other.

We measure operating performance primarily using DOE which measures our ability to acquire net insurance assets at a positive margin, and invest these assets at a return that is greater than the cost of policyholder liabilities.

The following table presents DOE of each of our reporting segments for the years ended December 31, 2025, 2024 and 2023:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
Annuities	$ 1,663	$ 1,220	$ 595
P&C	399	263	84
Life Insurance	153	194	198
Corporate and Other	(516)	(303)	(132)
DOE	**$ 1,699**	$ 1,374	$ 745

2025 vs 2024

Annuities – DOE within our annuities business represents contributions from both our retail and institutional platforms. DOE increased by $443 million for the year ended December 31, 2025 compared to the prior year. The increase was primarily attributable to an increased asset base and deployment into higher yielding investment strategies.

P&C – DOE increased by $136 million for the year ended December 31, 2025 compared to the prior year. The increase was primarily driven by improvements in our loss experience arising from underwriting actions implemented over the past twelve months.

Life Insurance – DOE decreased by $41 million for the year ended December 31, 2025 compared to the prior year. The decrease was primarily driven by lower retained business as a result of a reinsurance agreement executed in the third quarter of 2024.

Corporate and Other – DOE decreased by $213 million for the year ended December 31, 2025 compared to the prior year. The decrease was primarily driven by increased tax expenses associated with higher DOE generated during the year and increased operating expenses, partially offset by higher investment income from our deployment into higher yielding investment strategies.

2024 vs. 2023

Annuities – DOE increased by $625 million for the year ended December 31, 2024 compared to 2023. The increase was primarily attributable to earnings contributed from AEL as well as increased investment income from our continued deployment into higher yielding investment strategies.

P&C – DOE increased by $179 million for the year ended December 31, 2024 compared to 2023. The increase was primarily driven by full year earnings contributed from Clearbrook coupled with improvements in our loss experience arising from underwriting actions implemented throughout 2024.

Life Insurance – DOE decreased by $4 million for the year ended December 31, 2024 compared to 2023. The favorable impact of improved investment income from our continued deployment into higher yielding investment strategies was offset by the aforementioned reinsurance agreement executed in the third quarter of 2024.

Corporate and Other – DOE decreased by $171 million for the year ended December 31, 2024 compared to 2023. The decrease was primarily driven by increased interest expenses due to debt assumed and raised through our acquisition of AEL, coupled with increased operating and other expenses incurred to support the continued growth of our business.

Lines of Business

Through our operating subsidiaries, our company offers a range of retirement services, wealth protection products and tailored capital solutions focused on securing the financial futures of individuals and institutions.

Annuities

Fixed Index Annuities – Fixed index annuities allow policyholders to earn index credits based on the performance of a particular index without the risk of loss of their account value. Certain products offer a premium bonus in which the initial annuity deposit on these policies is increased at issuance by a specified premium bonus rate. Generally, the surrender charge and bonus vesting provisions of our policies are structured such that we have comparable protection from early termination between bonus and non-bonus products. The annuity contract value is equal to the sum of premiums paid, premium bonuses and interest credited ("**index credits**" for funds allocated to an index based strategy), which is based upon an overall limit (or "**cap**") or a percentage (the "**participation rate**") of the appreciation (based in certain situations on monthly averages or monthly point-to-point calculations) in a recognized index or benchmark. Caps and participation rates limit the amount of interest the policyholder may earn in any one contract year and may be adjusted by us annually subject to stated minimums.

Fixed Rate Annuities – Fixed rate deferred annuities include annual, multi-year rate guaranteed products ("**MYGAs**") and single premium deferred annuities ("**SPDAs**"). Our annual reset fixed rate annuities have an annual interest rate (the "**crediting rate**") that is guaranteed for the first policy year. After the first policy year, we have the discretionary ability to change the crediting rate once annually to any rate at or above a guaranteed minimum rate. Our MYGAs and SPDAs are similar to our annual reset products except that the initial crediting rate on MYGAs is guaranteed for a stated period of time before it may be changed at our discretion while the initial crediting rate on SPDAs is guaranteed for either three or five years.

Pension Risk Transfer – Pension Risk Transfer is the transfer by a corporate sponsor of the risks, or some of the risks, associated with the sponsorship and administration of a pension plan, in particular, investment risk and longevity risk. Longevity risk represents the risk of an increase in life expectancy of plan beneficiaries. These risks can be transferred either to an insurer like us through a group annuity transaction commonly referred to as PRT, or to an individual through a lump-sum settlement payment. PRT using insurance typically involves a single premium group annuity contract that is issued to a pension plan by an insurer, permitting the corporate pension plan sponsor to discharge certain pension plan liabilities from its balance sheet.

Funding Agreements – Funding agreements include those issued to special-purpose unaffiliated trusts in connection with our funding agreement-backed notes ("**FABN**") program and those directly issued to our institutional counterparties. Our FABN program allows its special-purpose unaffiliated trust to offer its senior secured medium-term notes. The net proceeds of the issuance of notes are used by the trust to purchase one or more funding agreements from certain of our insurance subsidiaries with matching interest and maturity payment terms.

Single Premium Immediate Annuities – A single premium immediate annuity is purchased with one premium payment, providing periodic (usually monthly or annual) payments to the annuitant for a specified period, such as for the remainder of the annuitant's life. Return of the original deposit may or may not be guaranteed, depending on the terms of the annuity contract.

Variable Annuities – With a variable annuity, the policyholder bears the investment risk because the value of the policyholder's account balance varies with the investment experience of the separate account investment options selected by the policyholder. Our variable annuity products have no guaranteed minimum withdrawal benefits. This product accounts for less than 1% of our annuities business.

Property and Casualty

Property – Property lines offer policies protecting various personal and commercial properties from man-made and natural disasters, including property insurance for homeowners and renters.

Casualty – Casualty lines include a broad range of primary and excess casualty products, such as specialty casualty, construction defect, general liability, commercial multi-peril, workers compensation, product liability, environmental liability and auto liability. Casualty lines are generally considered long-tailed as it takes a relatively long period of time to finalize and resolve all claims from a given accident year. Some products have long claims reporting lags and/or longer time lags for payment of claims.

Specialty – Specialty lines include niche insurance coverages such as garage and inland marine and offer insurance programs and fronting solutions. Specialty lines are considered generally short-tailed as claims are typically known relatively quickly, although it may take a longer period of time to finalize and resolve all claims from a given year.

Run-off and Other – Run-off and Other lines primarily consist of discontinued lines previously underwritten by our insurance subsidiaries including professional liability and surety coverages.

Life Insurance

Whole Life – Whole life products provide a guaranteed benefit upon the death of the insured in return for the periodic payment of a fixed premium over a predetermined period. Premium payments may be required for the entire life of the contract, to a specified age or a fixed number of years, and may be level or change in accordance with a predetermined schedule. Whole life insurance includes some policies that provide a participation feature in the form of dividends. Policyholders may receive dividends in cash or apply them to increase death benefits or cash values available upon surrender, or reduce the premiums required to maintain the contract in-force.

Universal Life – Universal life insurance products provide coverage through a contract that gives the policyholder flexibility in premium payments and coverage amounts. Universal life products may allow the policyholder, within certain limits, to increase or decrease the amount of death benefit coverage over the term of the contract and to adjust the frequency and amount of premium payments. Universal life products are interest rate sensitive, and we determine the interest crediting rates during the contract period, subject to policy specific minimums. An equity-indexed universal life product is credited with interest using a return that is based, in part, on changes in an index, such as the Standard & Poor's 500 Index ("**S&P 500**"), subject to a specified minimum.

Variable Universal Life – Variable universal life products provide insurance coverage on a similar basis as universal life, except that the policyholder bears the investment risk because the value of the policyholder's account balance varies with the investment experience of the securities selected by the policyholder held in the separate account.

Corporate and Other

Our Corporate and Other segment performs various corporate and other activities that support our core insurance operations. Such activities include our investment warehousing activities where we temporarily warehouse investments that will ultimately be transferred into our insurance investment portfolios in the near term. We generate investment income from warehoused investments and incur interest expenses on revolving credit facilities utilized to fund these investments. Also included in our Corporate and Other segment activities are certain hedging activities, certain charges and activities that are not attributable to our insurance operating segments and interest expense related to the Company's corporate and non-recourse borrowings.

Net Premiums

The breakdown of premiums by product, net of ceded premiums, is as follows:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024	2023
Annuities			
Retail[1]:			
Fixed Index	**$ —**	$ 5	$ —
Fixed Rate	**2**	4	2
Variable	**—**	—	—
Total Retail Annuities	**2**	9	2
Institutional:			
Pension Risk Transfer[2]	**1,712**	4,804	1,467
Funding Agreements[1]	**—**	—	—
Total Institutional Annuities	**1,712**	4,804	1,467
Total Annuities	**1,714**	4,813	1,469
Whole Life and Others	**377**	511	520
Property and Casualty			
Property[3]	**435**	358	361
Casualty[3]	**1,662**	2,041	1,698
Specialty	**228**	258	33
Run-off and Other	**71**	286	56
Total Property and Casualty	**2,396**	2,943	2,148
Total Net Premiums	**$ 4,487**	$ 8,267	$ 4,137

(1) Premiums received from retail annuities and funding agreements are generally recorded as deposits and are not included in net premiums.

(2) Premiums differ from gross annuity sales in PRT, since premiums are recognized as revenue when due while they are included in sales upon deal close, which is confirmed by the counterparty.

(3) Certain products have been reclassified to conform to Clearbrook's lines of business.

2025 vs. 2024

For the year ended December 31, 2025, we reported total net premiums of $4.5 billion, compared to $8.3 billion in the prior year. The decrease of $3.8 billion is primarily driven by fewer jumbo deals written in our PRT business as compared to the prior year, coupled with the phased withdrawal from non-core businesses in our P&C segment and reinsurance agreements executed in our Life Insurance segment.

2024 vs. 2023

For the year ended December 31, 2024, we reported total net premiums of $8.3 billion, compared to $4.1 billion in 2023. The increase of $4.1 billion is primarily due to the growth in our Annuities and P&C segments. Net premiums for our Annuities segment increased by $3.3 billion as we continue to scale our PRT business. Our P&C segment increased by $795 million due to full year contributions from Clearbrook.

Gross Annuity Sales

Gross annuity sales are comprised of all products' deposits, which generally are not included in revenues on the statement of operations. Gross annuity sales include directly written business, flow reinsurance assumed as well as premiums and deposits generated from assumed block reinsurance transactions.

The breakdown of gross annuity sales follows:

FOR THE YEARS ENDED DEC. 31, 2025 US$ MILLIONS	2025	2024	2023
Retail:			
Fixed Index	**$ 9,032**	$ 5,522	$ 2,206
Fixed Rate	**6,236**	5,132	3,938
Variable	**393**	372	63
Total Retail Annuities	**15,661**	11,026	6,207
Institutional:			
Pension Risk Transfer[1]	**1,879**	4,814	1,469
Funding Agreements	**2,289**	—	—
Total Institutional Annuities	**4,168**	4,814	1,469
Total Gross Annuity Sales	**$ 19,829**	$ 15,840	$ 7,676

(1) Gross annuity sales differ from premiums in PRT, since premiums are recognized as revenue when due while they are included in sales upon deal close, which is confirmed by the counterparty.

2025 and 2024

For the year ended December 31, 2025, we reported total gross annuity sales of $19.8 billion, compared to $15.8 billion in the prior year. The increase of $4.0 billion is primarily driven by increased sales activity in our fixed index retail products, coupled with the commencement of our funding agreement programs in 2025.

2024 and 2023

For the year ended December 31, 2024, we reported total gross annuity sales of $15.8 billion, compared to $7.7 billion in 2023. The increase of $8.2 billion is primarily due to the contributions from AEL, coupled with the growth in our PRT business.

Income Taxes

We recorded an effective tax rate of 10.8% on net income before income taxes in 2025, compared to an effective tax rate of (2.8)% in 2024 and 2.2% in 2023. The effective tax rate may vary from period to period based on the relative mix of earnings across the jurisdictions in which we operate and the applicable statutory tax rates in those jurisdictions. During the current year, applicable statutory tax rates by jurisdiction were 15.0% for Bermuda, 21.0% for the U.S., 25.0% for the U.K. and 26.5% for Canada. See Note 22, "Income Taxes" in the notes to the consolidated financial statements for additional information.

Liquidity and Capital Resources

CAPITAL RESOURCES

We strive to maintain sufficient financial liquidity at all times so that we are able to participate in attractive opportunities as they arise, better withstand sudden adverse changes in economic circumstances within our operating subsidiaries and maintain payments to policyholders, as well as maintain distributions to our shareholders. Our principal sources of liquidity are cash flows from our operations, access to the Company's third-party credit facilities, and our credit facility and equity commitment with Brookfield. We proactively manage our liquidity position to meet liquidity needs and continue to develop relationships with lenders who provide borrowing capacity at competitive rates, while looking to minimize adverse impacts on investment returns. We look to structure the ownership of our assets to enhance our ability to monetize them to provide additional liquidity, if needed. Our corporate liquidity for the periods noted below consisted of the following:

AS OF DEC. 31 US$ MILLIONS		**2025**		2024
Cash and cash equivalents	**$**	**120**	$	311
Liquid financial assets		**—**		116
Undrawn credit facilities		**1,136**		1,608
Total Corporate Liquidity[1]	**$**	**1,256**	$	2,035

(1) Total Corporate Liquidity is a Non-GAAP measure. See "Performance Measures used by Management".

As of the date of this MD&A, our liquidity is sufficient to meet our present requirements for the foreseeable future. In June 2021, Brookfield provided to the Company an equity commitment in the amount of $2.0 billion to fund future growth, which the Company may draw on from time to time. The equity commitment may be called by the Company in exchange for the issuance of Class C shares or redeemable junior preferred shares. As of December 31, 2025, there was $2.0 billion of undrawn equity commitment available. In addition, in connection with the Company's spin-off from Brookfield on June 28, 2021, we entered into a credit agreement with Brookfield as the lender, providing a revolving $400 million credit facility. We also have $1.3 billion of revolving bilateral credit facilities with external banks. We use the liquidity provided by our credit facilities for working capital purposes, and we may use the proceeds from the capital commitment to fund growth capital investments and acquisitions. The determination of which of these sources of funding the Company will access in any particular situation is a matter of optimizing needs and opportunities at that time. As of December 31, 2025, there was $628 million drawn on the external bilateral facilities and no amount drawn on the Brookfield facility.

Today, we have significant liquidity within our insurance portfolios, giving us flexibility to secure attractive investment opportunities. In addition to a portfolio of highly liquid financial assets, our operating companies have additional access to liquidity from sources such as the Federal Home Loan Bank ("**FHLB**") programs. As of December 31, 2025, the Company had no drawings and a total of $1.5 billion undrawn commitment available related to these programs.

Liquidity within our operating subsidiaries may be restricted from time to time due to regulatory constraints. As of December 31, 2025, the Company's total liquidity was $62.6 billion, which included $120 million of unrestricted cash and cash equivalents held by non-regulated corporate entities.

AS OF DEC. 31 US$ MILLIONS		**2025**		2024
Cash and cash equivalents	**$**	**13,014**	$	12,243
Liquid financial assets		**48,425**		39,195
Undrawn credit facilities		**1,136**		1,608
Total Liquidity[1]	**$**	**62,575**	$	53,046

(1) Total Liquidity is a Non-GAAP measure. See "Performance Measures used by Management".

As of December 31, 2025 and 2024, 91% and 87% of the Company's Total Liquidity was held by our U.S. insurance subsidiaries, respectively.

CASH FLOWS REVIEW

Comparison of the years ended December 31, 2025, 2024 and 2023

The following table presents a summary of our cash flows and ending cash balances for the years ended December 31, 2025, 2024 and 2023:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
Operating activities	$ 2,614	$ 4,569	$ 1,507
Investing activities	(9,672)	1,433	(1,809)
Financing activities	7,810	1,922	2,465
Cash and cash equivalents:			
Cash and cash equivalents, beginning of year	12,243	4,308	2,145
Net change during the year	752	7,924	2,163
Foreign exchange on cash balances held in foreign currencies	19	11	—
Cash and cash equivalents, end of year	$ 13,014	$ 12,243	$ 4,308

Operating Activities

2025 vs. 2024

For the year ended December 31, 2025, we generated $2.6 billion of cash from operating activities compared to $4.6 billion generated during the prior year. The decrease is primarily driven by fewer jumbo deals written in our PRT business as compared to the prior year, partially offset by the full year contribution from AEL's operating activities.

2024 vs. 2023

For the year ended December 31, 2024, we generated $4.6 billion of cash from operating activities compared to $1.5 billion generated during 2023. The increase is primarily due to higher investment income from the growth in the investment portfolio as well as the contributions from AEL and Clearbrook.

Investing Activities

2025 vs. 2024

During the current year, $9.7 billion of cash outflows from investing activities arose as we continue to deploy cash and cash equivalents into investments, coupled with the continued rotation of our investment portfolio into higher yielding investment strategies, compared to net cash inflows of $1.4 billion in the prior year, primarily driven from $10.8 billion of cash acquired as part of our acquisition of AEL.

2024 vs. 2023

During 2024, $1.4 billion of cash inflows from investing activities arose primarily from $10.8 billion of cash acquired as part of our acquisition of AEL, net of cash proceeds paid, partially offset by net deployment into investments during the period, compared to net outflows of $1.8 billion in 2023.

Financing Activities

2025 vs. 2024

For the year ended December 31, 2025, we had a net cash inflow of $7.8 billion, which increased from a net cash inflow of $1.9 billion in the prior year. The increase was primarily driven by deposits received on policyholders' accounts, including sales from our funding agreement programs, coupled with net drawings on our borrowings, partially offset by surrenders and withdrawals on policyholders' accounts.

2024 vs. 2023

For the year ended December 31, 2024, we had a net cash inflow of $1.9 billion, which decreased from a net cash inflow of $2.5 billion in 2023. The decrease was primarily driven by withdrawals on policyholders' accounts coupled with net repayments on our borrowings, partially offset by surrenders and withdrawals on policyholders' accounts.

Financial Instruments

To the extent that we believe it is economic to do so, our strategy is to hedge a portion of our equity investments and/or cash flows exposed to foreign currencies by the Company. The following key principles form the basis of our foreign currency hedging strategy:

- We leverage any natural hedges that may exist within our operations;
- We utilize local currency debt financing to the extent possible; and
- We may utilize derivative contracts to the extent that natural hedges are insufficient.

As of December 31, 2025, our total equity was $17.9 billion. Included in equity was approximately $279 million and $188 million invested in Canadian dollars and British pounds, respectively. As of December 31, 2025, we had a notional $11.2 billion (2024 – $6.7 billion) of foreign exchange forward and cross currency forward contracts in place to hedge against foreign currency risk.

For additional information, see Note 9, "Derivative Instruments" in the notes to the consolidated financial statements.

Future Capital Obligations and Requirements

As of December 31, 2025, the Company and its subsidiaries, in aggregate, had total unfunded investment commitments of $12.3 billion (2024 – $10.3 billion). These commitments, when funded, are primarily recognized as mortgage loans, private loans, investment funds, investment real estate and other invested assets. For additional information, see Note 28, “Financial Commitments and Contingencies” in the notes to the consolidated financial statements.

The following is the maturity by year on corporate and non-recourse borrowings:

	Payments due by year							
AS OF DEC. 31, 2025 US$ MILLIONS	**Total**	Unamortized discount and issuance costs	Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years
Corporate borrowings	**$ 628**	—	—	—	—	—	628	—
Non-recourse borrowings	**$ 4,857**	(70)	912	600	750	600	—	2,065

	Payments due by year							
AS OF DEC. 31, 2024 US$ MILLIONS	**Total**	Unamortized discount and issuance costs	Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years
Corporate borrowings	**$ 17**	—	—	—	—	—	17	—
Non-recourse borrowings	**$ 4,334**	(79)	1,005	—	1,800	—	600	1,008

For additional information, see Note 21, “Corporate and Non-Recourse Borrowings” in the notes to the consolidated financial statements.

Capital Management

Capital management is the ongoing process of determining and maintaining the quantity and quality of capital appropriate to take advantage of the Company’s growth opportunities, to support the risks associated with the business and to optimize shareholder returns while fully complying with regulatory capital requirements.

The Company and its subsidiaries take an integrated approach to risk management that involves the Company’s risk appetite and capital requirements. The operating capital levels are determined by each respective operating company’s risk appetite and Own Risk and Solvency Assessment (“**ORSA**”). Furthermore, additional stress techniques are used to evaluate the Company’s capital adequacy under sustained adverse scenarios.

American National, AEL and certain Clearbrook subsidiaries are required to follow Risk Based Capital (“**RBC**”) requirements based on guidelines of the National Association of Insurance Commissioners (“**NAIC**”). RBC is a method of measuring the level of capital appropriate for an insurance company to support its overall business operations, in light of its size and risk profile. It provides a means of assessing capital adequacy, where the degree of risk taken by the insurer is the primary determinant.

Freestone Re Ltd., Argo Re Ltd. and NER Ltd. are required to maintain minimum statutory capital and surplus equal to the minimum solvency margin and the minimum economic capital and surplus equal to the enhanced capital requirement as determined by the Bermuda Monetary Authority (“**BMA**”). The Enhanced Capital Requirement (“**ECR**”) is calculated based on the Bermuda Solvency Capital Requirement model, a risk-based model that takes into account the risk characteristics of different aspects of a company’s business.

BAC Canada is subject to the Life Insurance Capital Adequacy Test (“**LICAT**”) as determined by Office of the Superintendent of Financial Institutions (“**OSFI**”). The LICAT ratio compares the regulatory capital resources of an insurance company to its Base Solvency Buffer or required capital.

The Company has determined that it is in compliance with all capital requirements as of December 31, 2025 and 2024.

Brookfield Operating Results

An investment in the Class A exchangeable shares of the Company is intended to be, as nearly as practicable, functionally and economically, equivalent to an investment in Brookfield. A summary of Brookfield's operating results for the years ended December 31, 2025, 2024 and 2023 and is provided below:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS, EXCEPT PER SHARE AMOUNTS	2025	2024	2023
Revenues	$ 75,100	$ 86,006	$ 95,924
Net income attributable to Brookfield shareholders	1,307	641	1,130
Net income of consolidated business	3,235	1,853	5,105
Net income per share:			
Basic[1]	0.51	0.21	0.41
Diluted[1]	0.49	0.20	0.41
Distributable earnings before realizations	5,386	4,871	4,223

(1) Adjusted to reflect the three-for-two stock split completed on October 9, 2025.

For the years ended December 31, 2025, 2024 and 2023, Brookfield's pro rata share of our DOE represented approximately 31%, 28% and 18% of their total distributable earnings before realizations, respectively.

Each exchangeable share has been structured with the intention of providing an economic return equivalent to one Brookfield Class A Share due to each exchangeable share (i) being exchangeable at the option of the holder for one Brookfield Class A Share or its cash equivalent (the form of payment to be determined at the election of Brookfield), subject to certain limitations, and (ii) receiving distributions at the same time and in the same amounts as dividends on the Brookfield Class A Shares. We therefore expect that the market price of the exchangeable shares should be impacted by the market price of Brookfield Class A Shares and the business performance of Brookfield as a whole. In addition to carefully considering the disclosure made in this MD&A, careful consideration should be made to the disclosure made by Brookfield in its continuous disclosure filings. Copies of the Brookfield's continuous disclosure filings are available electronically on EDGAR on the SEC's website at www.sec.gov or on SEDAR+ at www.sedarplus.ca.

Industry Trends and Factors Affecting Our Performance

As a financial services business providing capital based solutions to the insurance industry, we are affected by numerous factors, including global economic and financial market conditions. Price fluctuations within equity, credit, commodity and foreign exchange markets, as well as interest rates, which may be volatile and mixed across geographies, can significantly impact the performance of our business. We also monitor factors such as consumer spending, business investment, the volatility of capital markets, interest rates, unemployment and the risk of inflation or deflation, which affect the business and economic environment and, in turn, impact the demand for the type of financial and insurance products offered by our business. We believe the following current trends present significant opportunities for us to grow our business:

- **Financial market volatility and dislocations across asset classes favor insurers with diverse investment portfolios and access to alternative credit.** Insurers primarily invest in public market fixed income products and are exposed to public market valuations. Insurers with an ability to diversify investment portfolios to include alternative and private credit assets provide more favorable investment performance.
- **Many insurers are looking for ways to shift toward less asset-intensive insurance products.** Given the capital-intensive nature of life and annuity liabilities, many insurance companies with diversified exposure are looking to reduce their exposure to life and annuity products, including through reinsurance, in order to free up capital that they can deploy in support of less asset-intensive products and business lines.
- **Recent market conditions are exposing under-capitalized companies.** Some writers of annuity products are facing higher hedging costs amidst volatile markets, and changes in regulatory standards are increasing the transparency of liability valuations in the current low-rate environment. This has necessitated a need to raise or otherwise free up capital, and the reinsurance market offers writers of annuity products an opportunity to do so. We have access to capital and are able to provide capital support to these companies.
- **Public market valuations have compressed while capital needs have grown.** Insurers are trading at cyclical lows, and given the prevailing market environment, are looking to partner with organizations like ours that can provide solutions to address capital needs.

Market Risk

Our statements of financial position within our financial statements include substantial amounts of assets and liabilities whose fair values are subject to market risks. Our significant market risks are primarily associated with interest rates, foreign currency exchange rates and credit risk. The fair values of our investment portfolios remain subject to considerable volatility. The following sections address the significant market risks associated with our business activities.

Foreign Exchange Rate Risk

The Company's obligations under its insurance contracts are predominantly denominated in U.S. dollars, but a portion of the assets supporting these liabilities are denominated in non-U.S. dollars. We manage foreign exchange risk primarily using foreign exchange forwards and cross currency swaps. Our investment policy sets out the foreign currency exposure limits and types of derivatives permitted for hedging purposes.

Our net assets are subject to financial statement translation into U.S. dollars. All of our financial statement translation-related impact from changes in foreign currency rates is recorded in other comprehensive income. Gains and losses from foreign currency transactions of the Company's invested assets are reported in "Investment related gains (losses)" or "Net investment results from reinsurance funds withheld" in the statements of operations. Gains and losses from foreign currency transactions of the Company's insurance liabilities are reported in "Policyholder benefits and claims incurred" in the statements of operations.

The impact on net income resulting from a hypothetical 10% decrease in foreign currencies against the U.S. dollar, net of the impact of foreign exchange hedging strategies, would not be expected to be material.

Interest Rate Risk

Substantial and sustained increases or decreases in interest rates may cause certain market dislocations that could negatively impact our financial performance.

We manage interest rate risk through our asset liability management, which we refer to as ALM, the framework whereby the effective and key rate durations of the investment portfolio are closely matched to those of the insurance liabilities. Within the context of the ALM framework, we use derivatives including interest rate swaps, options and futures to reduce market risk. For the annuities business, where the timing and amount of the benefit payment obligations can be readily determined, the matching of asset and liability cash flows is effectively controlled through this comprehensive duration management process.

Our primary interest rate risk exposure is the exposure of our fixed maturity investment portfolio to interest rate risk and the changes in interest rates. In addition, our insurance-related liabilities, net of reinsurance (consisting of Future policy benefits, Policyholders' account balances, Policy and contract claims, Deposit liabilities and Market risk benefits) are subject to interest rate risk exposure. If interest rates were to increase by 50 basis points from levels at December 31, 2025 and 2024 through a parallel shift in the yield curve, we estimate that (i) the fair value of our fixed maturity securities would decrease by approximately $1.7 billion and $1.1 billion in 2025 and 2024 respectively; and (ii) the carrying amount of our insurance-related liabilities (net of reinsurance) would increase by approximately $1.1 billion and $936 million in 2025 and 2024, respectively. The net impact on total equity (net of income taxes) would be a decrease of approximately $463 million and $130 million in 2025 and 2024, respectively. The models used to estimate the impact of an increase in market interest rates by 50 basis points incorporate numerous assumptions, require significant estimates and assume an immediate and parallel change in interest rates without any management of the investment portfolio in reaction to such change. Consequently, potential changes in the value of our financial instruments and our insurance-related liabilities indicated by the simulations will likely be different from the actual changes experienced under given interest rate scenarios, and the differences may be material. Because we actively manage our investments and liabilities, our net exposure to interest rates can vary over time. However, any such decreases in the fair value of our fixed maturity securities (unless related to credit concerns of the issuer requiring recognition of a credit loss) would generally be realized only if we were required to sell such securities at losses prior to their maturity to meet our liquidity needs, which we proactively manage. See the "Liquidity and Capital Resources" section within this MD&A for a further discussion on our liquidity.

Other Price Risk

Other price risk is the risk of variability in fair value due to movements in equity prices or other market prices such as commodity prices and credit spreads.

The Company's exposure to the equity markets is managed by sector and individual security, and the Company mitigates the equity price risk by diversification of the investment portfolio.

The Company also has equity price risk associated with the equity-indexed life and annuity products the Company issues and assumes. The Company has entered into derivative transactions, primarily over-the-counter equity call options, to hedge the exposure to equity-index changes and thus has excluded equity-index changes and related derivatives from the sensitivity.

Assuming all other factors are constant, if there was a decline in public equity market prices of 10% as of December 31, 2025 and 2024, we estimate a net decrease to our point-in-time net income (loss) from changes in the fair value of our financial instruments, which are primarily public equity investments, of approximately $545 million and $230 million respectively. The financial instruments included in the sensitivity analysis are carried at fair value, and changes in fair value are recognized in the statements of operations.

Credit Risk

Credit risk is the risk of loss from amounts owed by counterparties and arises any time funds are extended, committed, owed or invested through actual or implied contractual arrangements including reinsurance. The Company is primarily exposed to credit risk through its fixed income investments, which include debt securities and private loans.

We manage exposure to credit risk by establishing concentration limits by counterparty, credit rating and asset class. To further minimize credit risk, the financial condition of the counterparties is monitored on a regular basis. These requirements are outlined in our investment policy.

Insurance Risk

The Company makes assumptions and estimates when assessing insurance and reinsurance risks, and significant deviations, particularly with regards to mortality, morbidity, longevity and other policyholder behavior, could adversely affect our business, financial condition, results of operations, liquidity and cash flows. All transaction terms are likely to be determined by qualitative and quantitative factors, including our estimates. If we reinsure a block of business, there can be no assurance that the transaction will achieve the results expected at the time of the block's acquisition. These transactions expose us to the risk that actual results materially differ from those estimates.

We manage insurance risk through choosing whether to purchase reinsurance for certain amounts of risk underwritten across our Annuities, P&C and Life Insurance segments, and we may also look to further reinsure certain amounts of risk we assume under our reinsurance agreements in these segments.

Legal Risk

In the future, we may be parties in actions that routinely arise out of the normal course of business, including legal actions seeking to establish liability directly through insurance contracts or indirectly through reinsurance contracts issued by our subsidiaries. Plaintiffs occasionally seek punitive or exemplary damages. We do not believe that such normal and routine litigation will have a material effect on our financial condition or results of operations. We are also involved from time to time in other kinds of legal actions, some of which assert or may assert claims or seek to impose fines and penalties. We believe that any liability that may arise as a result of other pending legal actions will not have a material effect on our financial statements.

Operational Risk

Operational risk is the potential for loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Company's internal control processes are supported by the maintenance of a risk register and independent internal audit review. The risk of fraud is managed through a number of processes including background checks on staff on hire, annual code of conduct confirmations, anti-bribery training and segregation of duties.

We have material outsourcing arrangements in respect of pension administration and other functions. These arrangements are subject to agreements with formal service levels, operate within agreed authority limits and are subject to regular review by senior management. Material outsourcing arrangements are approved and monitored by the Board of Directors.

Disaster recovery and business continuity plans have also been established to manage the Company's ability to operate under adverse conditions.

Critical Accounting Estimates

The preparation of the financial statements requires management to make critical judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses that are not readily apparent from other sources, during the reporting period. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Critical judgments made by management and used in preparing the financial statements, are summarized below:

Fair value of investments – In determining fair value of our investments in our consolidated financial statements, we perform regular analysis and review of our valuation techniques, assumptions and inputs to evaluate if the valuation approaches are appropriate and consistently applied and if the various assumptions are reasonable. Investments categorized as Level 3 in the fair value hierarchy are subject to significant management judgment and estimation due to the use of significant unobservable inputs. Where appropriate, we assess the reasonableness of unobservable inputs and assumptions used in the fair value measurement. For example, we validate the reasonableness of quotes from independent pricing sources and broker price opinions received by performing a market-based fair value analysis. For investments fair valued using a discounted cash flow methodology, we perform a review of the cash flow models for reasonability. Valuation methodologies, assumptions and inputs utilized in the valuation of our investments recorded at fair value in the statements of financial position are described in Note 11, "Fair Value of Financial Instruments" in the notes to the consolidated financial statements.

Value of business acquired ("VOBA") – VOBA is an intangible asset or liability resulting from a business combination that represents the difference between the policyholder liabilities measured in accordance with the acquiring company's accounting policies and the estimated fair value of the same acquired policyholder liabilities in-force at the acquisition date. The estimated fair value of the acquired liabilities upon the acquisition includes assumptions on discount rate and the net investment earned rate. These assumptions are subject to inherent uncertainties and involve a significant level of management judgment and estimation and may have a material impact on our financial condition upon the initial recognition of VOBA. Refer to Note 16, "Acquisitions" in the notes to the consolidated financial statements for additional details on VOBA.

Future policy benefits ("FPB") – Relate to long duration insurance contracts such as deferred and immediate annuities with life contingencies, including our PRT contracts, and certain life products. Assumptions used in the establishment of the FPB, inclusive of associated reinsurance balances, include longevity, mortality and lapse rates as well as discount rates, which require significant judgment and may materially impact the valuation of these liabilities. The Company reviews and updates cash flow assumptions, including significant policyholder behavior assumptions, at least annually during the third quarter of each year, and at the same time every year by cohort or product. The Company also reviews more frequently and updates its cash flow assumptions during an interim period if evidence suggests cash flow assumptions should be revised.

Embedded derivatives in policyholders' account balances ("PAB") – Our PAB liabilities relate to investment-type contracts and universal life-type policies. Our indexed product account balances with returns linked to the performance of a specified market index (e.g., fixed index annuity contracts and equity-indexed universal life policies) include an embedded derivative that is bifurcated from the host (or guaranteed) component of the contracts. The fair value of the embedded derivatives is estimated at each valuation date by (i) projecting policy contract values and minimum guaranteed contract values over the expected lives of the contracts and (ii) discounting the excess of the projected contract value amounts at the applicable risk free interest rates adjusted for the Company's non-performance risk related to those liabilities. Significant assumptions include option budget, lapse rates and non-performance risk.

Market risk benefits ("MRB") – Relate to certain fixed index annuity and fixed rate annuity contracts that provide minimum guarantees to policyholders including guaranteed minimum withdrawal benefits and guaranteed minimum death benefits. MRBs are fair valued using stochastic models that incorporate a spread reflecting our non-performance risk. The actuarial assumptions used in the MRB calculation are best estimate assumptions based on a combination of historical data and actuarial judgment. Significant assumptions include utilization, option budget, non-performance risk as well as mortality and lapse rates.

Liabilities for unpaid claims and claim adjustment expenses ("CAE") – Relate to our P&C segment and include estimates for both case reserves and incurred but not reported claims ("**IBNR**") liabilities. Because the ultimate resolution of claims can span over a long period of time, the process to determine these reserves is inherently subject to significant estimation uncertainty. The estimation of our IBNR liabilities involves the use of a variety of actuarial techniques that are based on our historical experience, considering the effects of current developments and anticipated trends. Actuarial assumptions for loss development patterns such as expected loss ratios, settlement patterns and weighting of actuarial methodologies require a significant level of management judgment, particularly for those with significant claims reporting lags where a small change in actuarial assumptions may result in material fluctuations in the estimated ultimate liability.

Deferred income tax – We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets ("**DTAs**") and deferred tax liabilities ("**DTLs**") for the expected future tax consequences of events that have been included in the financial statements. We recognize DTAs to the extent that management believes that these assets are more likely than not to be realized, considering, among other items, projections of future taxable income. Accordingly, the estimation of DTAs including valuation allowance require significant management judgment. Additionally, actual realization of DTAs and DTLs may materially differ from these estimates as a result of changes in tax laws as well as unanticipated future transactions impacting related income tax balances.

Performance Measures Used by Management

To measure performance, we focus on net income and total assets, as well as certain Non-GAAP measures, including DOE, Total Corporate Liquidity, Total Liquidity and Adjusted Equity which we believe are useful to investors to provide additional insights into assets within the business available for redeployment. Refer to the "Segment Review" and "Liquidity and Capital Resources" sections of this MD&A for further discussion on our performance and Non-GAAP measures for the years ended December 31, 2025, 2024 and 2023.

Non-GAAP Measures

We regularly monitor certain Non-GAAP measures that are used to evaluate our performance and analyze underlying business performance and trends. We use these measures to establish budgets and operational goals, manage our business and evaluate our performance. We also believe that these measures help investors compare our operating performance with our results in prior years. These Non-GAAP financial measures are provided as supplemental information to the financial measures presented in this MD&A that are calculated and presented in accordance with GAAP. These Non-GAAP measures are not comparable to GAAP and may not be comparable to similarly described Non-GAAP measures reported by other companies, including those within our industry. Consequently, our Non-GAAP measures should not be evaluated in isolation, but rather, should be considered together with the most directly comparable GAAP measure in our financial statements for the periods presented. The Non-GAAP financial measures we present in this MD&A should not be considered a substitute for, or superior to, financial measures determined or calculated in accordance with GAAP.

Distributable Operating Earnings

We use DOE to assess operating results and the performance of our businesses. We define DOE as net income after applicable taxes excluding the impact of depreciation and amortization, deferred income taxes related to basis and other changes, and breakage and transaction costs, as well as certain investment and insurance reserve gains and losses, including gains and losses related to asset and liability matching strategies, non-operating adjustments related to changes in cash flow assumptions for future policy benefits and change in market risk benefits, and is inclusive of returns on equity invested in certain variable interest entities and our share of adjusted earnings from our investments in certain associates.

DOE is a measure of operating performance that is not calculated in accordance with, and does not have any standardized meaning prescribed by GAAP. DOE is therefore unlikely to be comparable to similar measures presented by other issuers. We believe our presentation of DOE is useful to investors because it supplements investors' understanding of our operating performance by providing information regarding our ongoing performance that excludes items we believe do not directly affect our core operations. Our presentation of DOE also provides investors enhanced comparability of our ongoing performance across years.

Adjusted Equity

Adjusted Equity represents the total economic equity of our company through our class A, B and C shares, excluding the impact of accumulated other comprehensive income and the accumulated after tax impact of certain adjustments related to mark-to-market gains and losses on investments, derivatives and insurance contracts.

We use Adjusted Equity to assess our return on our equity and believe it supplements investors' understanding of our operating performance by providing information regarding our ongoing performance that excludes items we believe do not directly affect our core operations. For comparability with peers and to align with our measure of operating performance, we changed the composition of Adjusted Equity in the second quarter of 2025 to exclude non-controlling interest and the accumulated after tax impact of certain investment and insurance reserve gains and losses. We have restated all applicable comparative information.

Total Corporate Liquidity and Total Liquidity

Corporate Liquidity is a measure of our liquidity position and includes cash and cash equivalents, undrawn revolving credit facilities and liquid financial assets held by non-regulated corporate entities. Total Liquidity includes liquidity within our regulated insurance entities.

The following contains further details regarding our use of the Non-GAAP measures, as well as a reconciliation of GAAP consolidated net income and total equity to these measures:

Reconciliation of Non-GAAP Measures

The following table reconciles our net income to DOE:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS		**2025**		2024		2023
Net income	**$**	**863**	$	1,247	$	797
Mark-to-market losses (gains) on investments, including reinsurance funds withheld[1]		**51**		(283)		(36)
Mark-to-market losses (gains) on insurance contracts and other net assets[2][3]		**717**		257		(100)
Deferred income tax expense (recovery) relating to basis and other changes		**(269)**		(195)		14
Transaction costs		**104**		213		40
Depreciation and amortization expenses		**233**		135		30
DOE	**$**	**1,699**	$	1,374	$	745

(1) “Mark-to-market losses (gains) on investments, including reinsurance funds withheld” primarily represent mark-to-market gains or losses on our investments and reinsurance funds withheld. Mark-to-market gains or losses on our investments are presented as “Investment related gains (losses)” on the statements of operations. See Note 10, “Net Investment Income and Investment Related Gains (Losses)” in the notes to the consolidated financial statements for additional details. Mark-to-market gains or losses on reinsurance funds withheld are included in “Net investment results from reinsurance funds withheld” and represent the change in fair value of their embedded derivative during the period. See Note 9, “Derivative Instruments” in the notes to the consolidated financial statements for additional details.

(2) “Mark-to-market losses (gains) on insurance contracts and other net assets” principally represents the mark-to-market effect on insurance-related liabilities, net of reinsurance, due to changes in market risks (e.g., interest rates, equity markets and equity index volatility). These mark-to-market effects are primarily included in “Interest sensitive contract benefits”, “Change in fair value of insurance-related derivatives and embedded derivatives” and “Change in fair value of market risk benefits” on the statements of operations. See the following notes to the consolidated financial statements for additional information: (i) Note 9, “Derivative Instruments”; (ii) Note 18, “Policyholders’ Account Balances”; and (iii) Note 19, “Market Risk Benefits”.

(3) Included in “Mark-to-market losses (gains) on insurance contracts and other net assets” are “returns on equity invested in certain variable interest entities” and “our share of adjusted earnings from our investments in certain associates” as stated in the definition of DOE. “Returns on equity invested in certain variable interest entities” primarily represent equity-accounted income from our investments in real estate partnerships and investment funds and are included in “Net investment income” on the statements of operations. Additionally, “our share of adjusted earnings from our investments in certain associates” represents our share of DOE from AEL following the announcement of our acquisition in the third quarter of 2023, which is no longer applicable given our acquisition of AEL in May 2024.

The following table reconciles our GAAP total equity to Adjusted Equity:

AS OF DEC. 31 US$ MILLIONS		**2025**		2024
Total equity	**$**	**17,917**	$	13,076
Less:				
Accumulated other comprehensive income		**(1,121)**		(204)
Non-controlling interests		**(331)**		(850)
Accumulated unrealized mark-to-market losses (gains), net of tax		**372**		(262)
Adjusted Equity	**$**	**16,837**	$	11,760

ITEM 5.B LIQUIDITY AND CAPITAL RESOURCES

See Item 5.A “*Operating Results – Liquidity and Capital Resources*”

ITEM 5.C RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES, ETC.

None.

ITEM 5.D TREND INFORMATION

See Item 5.A “*Operating Results — Industry Trends and Factors Affecting Our Performance*”

ITEM 5.E CRITICAL ACCOUNTING ESTIMATES

See Item 5.A “*Operating Results — Critical Accounting Estimates*”

ITEM 6 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

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ITEM 6.A DIRECTORS AND SENIOR MANAGEMENT

Our Board and Executive Officers

The table below presents certain information concerning the Board and executive officers of our company.

Name and Residence	Position	Age	Principal Occupation
Barry Blattman New York, USA	Director	63	Vice Chair, Brookfield Asset Management Ltd.
Dr. Soonyoung Chang[(1)] Dubai, United Arab Emirates	Director	67	Senior Advisor, Investment Corporation of Dubai
William Cox[(1)(2)(3)(4)] Devonshire, Bermuda	Director	63	Corporate Director
Michele Coleman Mayes[(3)] New York, USA	Director	76	Corporate Director
Michael McRaith[(6)] New York, USA	Director and Vice Chair	60	Vice Chair, Brookfield Wealth Solutions Ltd.
Gregory Morrison[(2)] Smith's Parish, Bermuda	Director	69	Corporate Director
Lori Pearson Toronto, Ontario, Canada	Chair	64	Vice Chair, Brookfield Corporation
Lars Rodert[(2)(3)] Stockholm, Sweden	Director	64	Founder and Chairman, ÖstVäst Advisory AB
Anne Schaumburg[(1)(2)(3)] New Jersey, USA	Director	76	Business Executive; Director
Sachin Shah Toronto, Ontario, Canada	Director Chief Executive Officer[(5)]	49	Chief Executive Officer, Brookfield Wealth Solutions Ltd.
Thomas Corbett Toronto, Ontario, Canada	Chief Financial Officer[(5)]	46	Chief Financial Officer, Brookfield Wealth Solutions Ltd.
Paul Forestell Toronto, Ontario, Canada	Managing Partner Chief Actuary	57	Managing Partner and Chief Actuary, Brookfield Wealth Solutions Ltd.
Lorenzo Lorilla Toronto, Ontario, Canada	Chief Investment Officer[(5)]	45	Chief Investment Officer, Brookfield Wealth Solutions Ltd.

(1) Member of our Compensation Committee. Anne Schaumburg is the chair of our Compensation Committee.

(2) Member of our Audit Committee. Lars Rodert is the chair of our Audit Committee and is the "Audit Committee financial expert".

(3) Member of our Governance and Nominating Committee. William Cox is the chair of our Governance and Nominating Committee.

(4) Lead independent director.

(5) Services were provided pursuant to the Administration Agreement up until March 22, 2024, at which time the services of our CEO, CFO and CIO were internalized. See Item 10.C "*Material Contracts — The Administration Agreement*".

(6) Michael McRaith was appointed as a director of the Company effective September 30, 2025.

The business address of Mr. Blattman, Mr. Lorilla and Mr. McRaith, is Brookfield Place, 250 Vesey Street, 15th Floor, New York, New York 10281. The business address of Dr. Chang, Mr. Cox, Mr. Morrison, Mr. Rodert, Ms. Schaumburg, and Ms. Mayes is Ideation House, First Floor, 94 Pitts Bay Road, Pembroke, HM08, Bermuda. The business address of each of Mr. Shah, Mr. Corbett, Mr. Forestell and Ms. Pearson is Suite 100, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3.

Biographical information for each of the directors is included below.

Barry Blattman. Barry Blattman has served as a director of our company since November 2021. He is also the Vice Chair and a director of BAM and serves as one of its directors. In this role, he focuses on senior, strategic client and business relationships, and contributes to general business development and transaction strategy globally, and prior to joining Brookfield in 2002, Mr. Blattman was a Managing Director at Merrill Lynch, having begun his career with Salomon Brothers in 1986. Mr. Blattman holds a Master of Business Administration degree from New York University and a Bachelor of Arts degree from the University of Michigan. He serves on the board of Montefiore Health System, and chairs its Real Estate Planning and Development Committee.

Dr. Soonyoung Chang. Dr. Soonyoung Chang has served as a director of our company since November 2021. Dr. Chang serves as Senior Advisor to the Investment Corporation of Dubai, providing strategic counsel and lending his global perspective to the investment arm of the Dubai Government. Dr. Chang is the founder and chairman of Midas International Asset Management Company, an international asset management fund. He is also a founding partner of Sentinel Advisor, a New York-based arbitrage fund. He has served as an advisor to a variety of financial institutions, including Korea National Pension Corporation, Hyundai International Merchant Bank and Templeton-Ssangyong Investment Trust Company. Dr. Chang holds Masters and Doctoral degrees from George Washington University and has authored many books and articles on the subject of financial engineering.

William Cox. William Cox has served as director of our company since May 2021. Mr. Cox is the President and Chairman of Waterloo Properties, a fifth-generation family-owned business that operates real estate and retail investment companies in Bermuda. Mr. Cox is also a director of Brookfield Infrastructure Partners and Brookfield Infrastructure Corporation. Mr. Cox has also served as Chairman of the Board of Trustees for Saltus Grammar School and completed his education at The University of Lynchburg in Virginia.

Michele Coleman Mayes. Michele Coleman Mayes has served as a director of our company since August 2023. Ms. Mayes was previously Vice President, General Counsel and Secretary for the New York Public Library from August 2012 until February 2024. Ms. Mayes has also served as Executive Vice President and General Counsel for Allstate Insurance Company, Senior Vice President and the General Counsel of Pitney Bowes Inc. and in several senior legal capacities at Colgate-Palmolive and Unisys. Prior to that, she served in the U.S. Department of Justice as an Assistant United States Attorney in Detroit and Brooklyn, eventually assuming the role of Chief of the Civil Division in Detroit. Ms. Mayes served on the Presidential Commission on Election Administration under President Obama from 2013 to 2014. In 2016 she was elected to the Board of Directors of Gogo Inc., where she Chairs the Nominating and Governance Committee and is a member of the Compensation Committee. Since March 2021, Ms. Mayes has been a non-director member of the Exelon Corporation's Special Litigation Committee. Ms. Mayes holds a BA from the University of Michigan and a JD from the University of Michigan Law School. In 2024, Ms. Mayes received Michigan Law's Distinguished Alumni Award.

Michael McRaith. Michael McRaith is Vice Chair and Managing Partner of Brookfield Wealth Solutions and has served as a Director of our company since October 2025, participating in all aspects of Brookfield's global insurance operations. Prior to joining our company in 2021, Mr. McRaith helped build the insurance solutions practice at a global asset manager. He previously served as the first Director of the Federal Insurance Office in the U.S. Department of the Treasury, where he held federal and global leadership roles. Before joining Treasury, he served as the Director of the Illinois Department of Insurance and as an officer of the National Association of Insurance Commissioners. Prior to his public service, Mr. McRaith was a partner in the Chicago office of a global law firm, and he remains a member of the Trial Bar for the U.S. District Court for the Northern District of Illinois. Mr. McRaith holds a Juris Doctor degree from Loyola University of Chicago's School of Law and a Bachelor of Arts degree from Indiana University. He received the Distinguished LGBTQ Alumnus Award from Indiana University, the Exceptional Service Award from the U.S. Department of the Treasury, and is a Distinguished Fellow of the International Association of Insurance Supervisors. Mr. McRaith is a member of The Bretton Woods Committee.

Gregory Morrison. Gregory Morrison has served as director of our company since December 2020. Mr. Morrison sits on a number of property, casualty and life insurance company boards and their subsidiaries, including Multi-Strat Holdings Ltd., Property Insurance Company of America, Western Investment Company Limited, Riverstone International Bermuda Ltd., AESIR Limited and various international subsidiaries of Brookfield Corporation. He previously served as Chief Executive Officer of Trisura Group Ltd., Imagine Group Holdings Ltd., Platinum Underwriters Holdings Ltd. and London Reinsurance Group Inc. Mr. Morrison is a Fellow of the Society of Actuaries (retired).

Lori Pearson. Lori Pearson has served as the Chair of the Board of our company since August 2023. Ms. Pearson is a Managing Partner and Vice Chair of Brookfield Corporation. Prior to joining Brookfield in 2003, Ms. Pearson was with Ernst and Young, where she held various roles within the Audit practice and served on the Leadership Team for the Tax practice. Ms. Pearson is on the boards of Pathways to Education in Canada and the Brookfield Foundation where she also serves as President. She is a past member of the Boards of BAM and Norbord Inc. Ms. Pearson holds an Honours Business Administration degree from Western University and is a Chartered Professional Accountant. In 2017 she was named a Fellow by the Chartered Professional Accountants of Ontario.

Lars Rodert. Lars Rodert has served as a director of our company since November 2021. Mr. Rodert is the founder and Chairman of ÖstVästAdvisory AB. He previously served as a global investment manager for IKEA Treasury and Chief Investment Officer of SEB Asset Management, North America, where he was responsible for SEB Global Funds. Prior to SEB Asset Management, Mr. Rodert worked at Gordon Capital and served as a partner with a private investment holding company, Robur et. Securitas. Mr. Rodert holds a Master of Science Degree in Business and Economics from Stockholm University.

Anne Schaumburg. Anne Schaumburg has served as a director of our company since May 2021. Ms. Schaumburg was previously a member of the board of directors of NRG Energy, Inc., an integrated power generation and consumer products company listed on the NYSE. During her 18-year tenure at NRG Energy, Inc., she served as Lead Independent Director, Chair of the Audit Committee and was a member of the Risk Committee, the Compensation Committee and the Nuclear Oversight Committee. She is currently Chair of Brookfield Infrastructure Partners and Brookfield Infrastructure Corporation and serves on their respective audit committees. Prior to her retirement, she was a Managing Director of Credit Suisse First Boston and a senior banker in the Global Energy Group. Ms. Schaumburg was responsible for assisting clients on advisory and finance assignments. Her transaction expertise includes mergers and acquisitions, debt and equity capital market financings, project finance and privatizations.

Sachin Shah. Sachin Shah is a director and Chief Executive Officer of our company. In this role, he is responsible for overall leadership and management of our company and sets its strategic direction as a leading provider of retirement services, wealth protection products and tailored capital solutions. Mr. Shah joined Brookfield in 2002 and has held a variety of senior roles, including Chief Investment Officer of Brookfield and Chief Executive Officer of Brookfield Renewable Partners where he was instrumental in growing the platform into a global business diversified across multiple technologies. Mr. Shah holds a Bachelor of Commerce degree from the University of Toronto and is a member of the Chartered Professional Accountants of Canada.

Thomas Corbett. Thomas Corbett is Chief Financial Officer of our company. Mr. Corbett joined Brookfield in 2008, and since then has held a number of senior finance positions in its Renewable Power Group including Chief Financial Officer of Brazilian renewable power operations as well as Chief Financial Officer of the energy marketing group. Mr. Corbett was most recently a Managing Director of BAM, responsible for global accounting and financial reporting functions. Mr. Corbett holds a Bachelor of Commerce degree from Carleton University and is a Chartered Professional Accountant.

Paul Forestell. Paul Forestell is Managing Partner and Chief Actuary of our company. Mr. Forestell joined Brookfield in 2015 and was responsible for the establishment and licensing of BAC Canada as a licensed insurance company in Canada, and was the company's first President and Chief Executive Officer. Prior to joining Brookfield, Mr. Forestell was a senior partner in a large global consulting firm with responsibility for their retirement consulting business in Canada. Mr. Forestell is a Fellow of the Canadian Institute of Actuaries and the Society of Actuaries. Mr. Forestell holds a Bachelor of Science with High Distinction and a Master of Arts – Economics, both from the University of Toronto.

Lorenzo Lorilla. Lorenzo Lorilla is Chief Investment Officer of our company. Mr. Lorilla joined Brookfield in 2021 and was most recently a Managing Partner and Deputy Chief Investment Officer responsible for asset allocation and execution of investment strategy for our company. Prior to joining Brookfield, Mr. Lorilla was Deputy Chief Investment Officer of Kuvare Insurance Services, and previously, Head of Credit Investments at Global Atlantic Financial Group as well as its predecessor, the Goldman Sachs Reinsurance Group. Mr. Lorilla holds a Master of Engineering from Massachusetts Institute of Technology.

Indebtedness of Directors and Executive Officers

To the knowledge of our company, no current or former director, officer or employee of our company, nor any associate or affiliate of any of them, is or was indebted to our company at any time since its formation.

Directors' and Officers' Liability Insurance

The directors and officers of our company are or will be covered by directors' and officers' liability insurance. Under this insurance coverage, our company will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of the directors and officers of our company, subject to a deductible for each loss, which will be paid by us. Individual directors and officers of our company will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by our company. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts.

ITEM 6.B COMPENSATION

Director Compensation

For the year ended December 31, 2025**,** the directors of our company were entitled to an annual retainer of $150,000 for their service on the Board, the Committees (as applicable), and reimbursement of expenses incurred in attending meetings. The lead independent director of our company was paid an additional amount of $50,000 for serving in such position. The chair of the Audit Committee received an additional $20,000 and members of the Audit Committee received an additional $10,000 for serving in such positions. Directors who are employees of our company or Brookfield receive no fees for their services on the Board.

Compensation Element	Amount for the Year Ended December 31, 2025 ($)
Annual Retainer	$ 150,000
Audit Committee Chair Additional Retainer	20,000
Audit Committee Member Additional Retainer (Non-Chair)	10,000
Lead Independent Director Additional Retainer	50,000

In addition, effective January 1, 2025, the directors of our company who regularly reside outside Bermuda and the east coast of North America also received an additional annual stipend of $15,000. This payment recognizes the time it takes these directors to travel long distances to attend all regularly scheduled meetings and is in addition to reimbursement for travel and other out-of-pocket expenses. To the extent the director also serves on the board of directors of another publicly traded entity managed by Brookfield that holds the majority of its meetings in Bermuda, this annual stipend will be split between our company and the other Brookfield-managed entity.

The following table sets out information concerning the compensation earned by, paid to or awarded to the directors in their capacities as directors of the company during the year ended December 31, 2025. The directors are paid in U.S. dollars. The Governance and Nominating Committee periodically reviews board compensation in relation to its peers and other similarly-sized companies and is responsible for approving changes in compensation for non-employee directors.

Director Compensation Table

Name	Fees Earned in Cash ($)	Share and option-based awards[7] ($)	All Other Compensation[5] ($)	Total Annual Compensation ($)
Barry Blattman[4]	—	—	—	—
Michele Coleman Mayes	45,000	105,000	—	150,000
Soonyoung Chang	75,000	82,500	7,500	165,000
William Cox[1][2]	157,500	52,500	—	210,000
Gregory Morrison[1]	120,000	40,000	—	160,000
Lori Pearson[4]	—	—	—	—
Lars Rodert[1][3]	127,500	44,375	5,625	177,500
Anne Schaumburg[1]	—	160,000	—	160,000
Sachin Shah[4]	—	—	—	—
Michael McRaith[4]	—	—	—	—
Jay Wintrob[6]	—	123,750	—	123,750

(1) Audit Committee Member.

(2) William Cox served as Lead Independent Director.

(3) Lars Rodert served as Audit Committee Chair.

(4) Due to their role with our company or Brookfield, as applicable, Michael McRaith, Barry Blattman, Lori Pearson and Sachin Shah do not receive compensation in their capacities as directors.

(5) Dr. Chang, and Mr. Rodert, received a long-distance stipend of $15,000. The payment of Mr. Rodert's long-distance travel stipend was split between our company and Brookfield Properties Partners L.P. A portion of their stipend was received in the form of DSUs from Brookfield Corporation in lieu of cash.

(6) Jay Wintrob resigned as a director of the Company, effective September 30, 2025.

(7) Certain independent directors received a portion of their annual fees in the form of DSUs from Brookfield Corporation in lieu of cash. The value of each DSU is equal to the market value of a Brookfield Class A Share.

Equity Ownership of Directors

We believe that directors can better represent shareholders if they have economic exposure to our company themselves. We expect that directors of our company hold sufficient exchangeable shares and/or Brookfield Class A Shares such that the acquisition costs of our exchangeable shares or Brookfield Class A Shares held by such directors is equal to at least two times their aggregate annual retainer for serving as a director of our company, as determined by our Board from time to time. Directors of our company are required to meet this requirement within five years of their date of appointment.

Effective January 1, 2025, directors are required to elect to receive 50% of their annual board fees in the form of DSUs of Brookfield Corporation until they have met the minimum share ownership for directors. Once the minimum share ownership is met, directors are required to receive 25% of their annual board fees in the form of DSUs of Brookfield Corporation.

For further details regarding equity ownership of the current directors of our company, see Item 6.E "*Directors, Senior Management and Employees – Share Ownership*" below.

Executive Compensation

Compensation Philosophy of our Company

Our named executive officers ("**NEOs**") comprise the core senior management team of our company, some of whom were previously employees of Brookfield and who were provided to our company until March 22, 2024, pursuant to the Administration Agreement. The Chief Executive Officer, Chief Financial Officer and Chief Investment Officer were, up until March 22, 2024, employees of Brookfield who performed functions for our company that would make them NEOs of our company.

Our company has adopted an approach to compensation that is intended to foster an entrepreneurial environment that encourages management to consider the risks associated with the decisions they make and take actions that will create long-term sustainable cash flow growth and will improve long-term shareholder value. Effective March 22, 2024, our company internalized the services of the Chief Executive Officer, Chief Financial Officer and Chief Investment Officer that were previously provided under the Administration Agreement and accordingly, our company's Compensation Committee is responsible for determining and approving the compensation of all of our NEOs, including the Chief Executive Officer, Chief Financial Officer and Chief Investment Officer.

During 2025, our NEOs received approximately $22 million in aggregate compensation paid by our company for all services to our company and our subsidiaries. Our NEOs may, at the discretion of our company, or Brookfield Corporation, and/or BAM as applicable, participate in certain long-term incentive plans of our company, Brookfield Corporation and/or BAM for their services to our company, Brookfield Corporation or BAM, including in the form of deferred share units, restricted shares, escrowed shares, and stock options. Each form of Brookfield Corporation, BAM and Brookfield Wealth Solutions long-term incentive plans have similar terms and conditions.

There are no employment contracts between the NEOs and our company or Brookfield Corporation. None of the NEOs have any termination, change of control arrangement or other compensatory plan, contract or arrangement with our company or Brookfield Corporation.

Compensation Elements for our NEOs

Our company has adopted an approach to compensation that aligns with Brookfield Corporation's approach and consists of the three primary elements of base salary, cash bonus, and participation in long-term incentive plans. As executives progress within our company, we expect that an increasingly larger share of annual compensation for these executives will be represented by awards pursuant to one of the long-term incentive plans of Brookfield or our company. The awards under these plans vest over time, in order for the executives to increase their ownership interest under one of the long-term incentive plans of Brookfield or our company and to be consistent with our company's focus on long-term value creation.

Compensation of the NEOs for the year ended December 31, 2025 was determined by the Compensation Committee.

Base Salaries

Base salaries tend to remain fairly constant from one year to another unless the scope and responsibility of a position has changed. Base salaries deliver the only form of fixed compensation for the NEOs and are not intended to be the most significant component of their compensation.

Cash Bonus and Long-Term Incentive Plans

Given the NEOs' focus on long-term decision making, the impact of which is difficult to assess in the short-term, each of Brookfield Corporation and our company believes that a heavy emphasis on annual incentives and a formulaic calculation based on specific operational or individual targets may not appropriately reflect their long-term objectives. Accordingly, the cash bonus and compensation under long-term incentive plans are determined primarily through an evaluation of the progress made in executing the company's strategy, the performance of the business as a whole and significant contributions to the business strategy of Brookfield.

The level of cash bonus and long-term incentive compensation granted to each NEO is discretionary. While no specific weight is given to the achievement of any individual objective, consideration is given to their accomplishments during the year, an assessment of their decisions and actions and how those decisions and actions align with the long-term strategy of value creation as well as how the NEO considered the risks associated with such decisions. In addition, consideration is given to the achievement of objectives set at the beginning of the year with our Chief Executive Officer and whether any objectives were not met because management made decisions in the best long-term interests of the business or due to factors outside of management's control.

Given that the exchangeable shares are intended to be, as nearly as practicable, functionally and economically equivalent to an investment in Brookfield Class A Shares and that any long-term equity incentive plan of our company would need to be operated and administered as a long-term equity incentive plan of Brookfield, our company determined that continued participation by our NEOs in Brookfield's long-term incentive plans remains appropriate.

Brookfield's long-term incentive plans are intended to encourage share ownership in Brookfield Class A Shares, increase executives' interest in the success of Brookfield, and encourage the retention of executives as a result of the delayed vesting of awards. The purpose of these arrangements is to align the interests of Brookfield shareholders and management and to motivate executives to improve Brookfield's and our company's long-term financial success, measured in terms of enhanced shareholder value over the long-term. This opportunity for wealth creation enables us to attract and retain talented executives.

Brookfield has three forms of long-term incentive plans, of which the terms and conditions are substantially the same between each company, in which certain NEOs of our company participate. They are described below in more detail:

1. ***Management Share Option Plan***. The management share option plans of Brookfield (the "**MSOP**"), govern the granting to executives of options to purchase the respective Brookfield Class A Shares at a fixed price. The options typically vest as to 20% per year commencing on the first anniversary of the date of the award and are exercisable over a ten-year period. The MSOP is administered by the board of directors of Brookfield. Options are typically granted in late February or early March of each year as part of the annual compensation review. Brookfield's compensation committee has a specific written mandate to review and approve executive compensation. Brookfield's compensation committees make recommendations to the respective Brookfield board of directors with respect to the proposed allocation of options based, in part, upon the recommendations of our Chief Executive Officer. The Brookfield board of directors must then give their final approval. The number of options granted to NEOs is determined based on the scope of their roles and responsibilities and their success in achieving the company's objectives. Consideration is also given to the number and value of previous grants of options. Since the annual option awards are generally made during a blackout period, the effective grant date for such options is set six business days after the end of the blackout period. The exercise price for such options is the volume-weighted average trading price for the respective Brookfield Class A Shares on the NYSE for the five business days preceding the effective grant date.

2. ***Deferred Share Unit Plan***. Brookfield's deferred share unit plans (the "**DSUP**"), provide for the issuance of deferred share units ("**DSUs**"), the value of which are equal to the value of the respective Brookfield Class A Share. DSUs vest over periods of up to five years, with the exception of DSUs awarded in lieu of a cash bonus which vest immediately. DSUs can only be redeemed for cash upon cessation of employment through retirement, resignation, termination or death. The DSUP is administered by the respective Brookfield compensation committees. DSUs are issued based on the value of the respective Brookfield Class A Shares at the time of the award, which we refer to as the DSU allotment price. In the case of DSUs acquired through the reinvestment of cash bonus awards, the DSU allotment price is equal to the exercise price for options granted at the same time as described above. Holders of DSUs will be allotted additional DSUs as dividends are paid on the respective Brookfield Class A Shares on the same basis as if the dividends were reinvested pursuant to Brookfield's dividend reinvestment plan. These additional DSUs are subject to the same vesting provisions as the underlying DSUs. The redemption value of DSUs will be equivalent to the market value of an equivalent number of the respective Brookfield Class A Shares on the cessation of employment with Brookfield.

3. ***Restricted Stock Plans***. Brookfield has restricted stock plans and an escrowed stock plan, which we refer to as the restricted stock plan and escrowed stock plan, respectively. These plans were established to provide Brookfield and its executives with alternatives to Brookfield's existing plans which would allow executives to increase their share ownership. Restricted shares have the advantage of allowing executives to become Brookfield shareholders, receive dividends, and to have full ownership of the shares after the restriction period ends. Restricted shares must be held until the vesting date (or in certain jurisdictions until the fifth anniversary of the award date). Holders of restricted shares receive dividends that are paid on the respective Brookfield Class A Shares in the form of cash, unless otherwise elected. The escrowed stock plan governs the award of non-voting common shares, which we refer to as escrowed shares, of one or more private companies, which we refer to as an escrow company, to executives or other individuals designated by Brookfield's compensation committees. Each escrow company is capitalized with common shares and preferred shares issued to Brookfield for cash proceeds. Each escrow company uses its cash resources to directly and indirectly purchase the respective Brookfield Class A Shares on the open market. Dividends paid to each escrow company on the Brookfield Class A Shares acquired by the escrow company will be used to pay dividends on the preferred shares which are held by Brookfield. The respective Brookfield Class A Shares acquired by an escrow company will not be voted. Escrowed shares typically vest 20% each year commencing on the date of the first anniversary of the award date. Each holder may exchange escrowed shares for Brookfield Class A Shares issued from treasury no more than 10 years from the award date. The value of Brookfield Class A Shares issued to a holder on an exchange is equal to the increase in value of the Brookfield Class A Shares held by the applicable escrow company.

Executives who have, or previously had, responsibilities in Brookfield's dedicated fund management groups may have long term incentive arrangements that also include a component more directly linked to the long-term performance of the fund being managed. However, the payments made under such plans are directly related to the value created for the fund's investors which, in turn, benefit Brookfield as the general partner and a limited partner. A percentage of the fund's profits are paid to participants in these plans typically after the capital invested and a preferred rate of return has been paid to investors.

In addition to these Brookfield plans, our company has established two share-based long-term incentive plans, in which certain NEOs of our company participate. They are described in more detail below:

1. ***BWS Restricted Stock Plan.*** In 2023, our company adopted a restricted stock plan (the "**BWS Restricted Stock Plan**"). Executive officers and key employees of our company, Brookfield Corporation and BAM (other than non-employee members of the Board and residents of the United States) designated by the Board that provide services to our company or our company's affiliates are eligible to participate in the BWS Restricted Stock Plan, subject to applicable laws and regulations. The maximum number of BWS Restricted Shares issuable under the BWS Restricted Stock Plan shall be equal to 10% of the issued and outstanding exchangeable shares from time to time, subject to adjustment in accordance with the provisions of the BWS Restricted Stock Plan. Further, the number of class A exchangeable shares that may be issuable to insiders of our company at any time, or issued in any one year to insiders of our company, under any of our company's security-based compensation arrangements cannot exceed in either case 10% of the issued and outstanding class A exchangeable shares and class B shares; and no more than 5% of the issued and outstanding class A exchangeable shares may be issued under these arrangements to any one person. In addition, the number of Brookfield Class A Shares that may be issuable to Brookfield Corporation insiders at any time, or issued in any one year to Brookfield Corporation insiders, under any of Brookfield Corporation's security-based compensation arrangements together with the BWS Restricted Stock Plan cannot exceed in either case 10% of the issued and outstanding Brookfield Class A Shares. The Board administers the BWS Restricted Stock Plan and determines the vesting period for each BWS Restricted Share grant, which is generally 20% per year over five years commencing the first year after the grant. The BWS Restricted Shares are not transferable until they are vested and no longer subject to any hold periods under the BWS Restricted Stock Plan, other than in the event of death or as otherwise approved by the Board. No incremental entitlements will be triggered by a change in control of our company under the BWS Restricted Stock Plan. The BWS Restricted Stock Plan contains an amending provision setting out the types of amendments which can be approved without shareholder approval and those which require shareholder approval. Shareholder approval will be required for any amendment that increases the number of class A exchangeable shares issuable under the BWS Restricted Stock Plan, any amendment expanding the categories of eligible participants which may permit the introduction or reintroduction of non-employee directors of our company on a discretionary basis, any amendment to remove or exceed the insider participation limits, any amendment which would permit BWS Restricted Shares to be transferable or assignable other than for normal estate planning purposes, any amendment which deletes or reduces the range of amendments requiring shareholder approval or other amendments required by law to be approved by shareholders. Shareholder approval will not be required for, among other matters, any amendment to the BWS Restricted Stock Plan or any BWS Restricted Share that is of a housekeeping or administrative nature, that is necessary to comply with applicable laws or to qualify for favorable tax treatment, that is to the vesting, termination or early termination provisions, and to suspend or terminate the BWS Restricted Stock Plan. As of December 31, 2025, 50,012 BWS Restricted Shares are issued, representing approximately 0.08% of the issued and outstanding exchangeable shares as of that date. The number of BWS Restricted Shares granted under the BWS Restricted Stock Plan annually, expressed as a percentage of the weighted average number of exchangeable shares outstanding in the year, was 0.03% in 2025 and 0.05% in 2024. No shares were outstanding as of December 31, 2023.

2. ***BWS Escrowed Stock Plan.*** In 2024, our company adopted the BWS Escrowed Stock Plan. The BWS Escrowed Stock Plan is intended to incent and retain designated executives or other persons designated by the Board for an extended period and to further align their long-term interests with those of other shareholders in a manner that is less dilutive than alternative long term ownership plans, such as option plans. The BWS Escrowed Stock Plan will result in no net dilution over time because any newly issued exchangeable shares under the BWS Escrowed Stock Plan will be fully offset by the cancellation of exchangeable shares. In addition, awards granted under the BWS Escrowed Stock Plan are intended to replace other forms of compensation that our company may offer to executives or other persons designated by the Board, and not to increase the overall compensation received by those individuals. A maximum of 6,000,000 class A exchangeable shares may be issued under the BWS Escrowed Stock Plan, representing 9.19% of the issued and outstanding exchangeable shares as of December 31, 2025. No class A exchangeable shares (representing 0% of the issued and outstanding class A exchangeable shares) have been issued under the BWS Escrowed Stock Plan and 6,000,000 class A exchangeable shares (representing 9.19% of the issued and outstanding class A exchangeable shares) are available for future issuance as at December 31, 2025. The number of exchangeable shares that may be issuable to insiders of our company at any time, or issued in any one year to insiders of our company, under any of our company's security-based compensation arrangements, including under the BWS Restricted Stock Plan and the BWS Escrowed Stock Plan, cannot exceed, in either case, 10% of the issued and outstanding class A exchangeable shares and class B shares; and no more than 5% of the issued and outstanding exchangeable shares may be issued under these arrangements to any one person. The BWS Escrowed Stock Plan governs the award of non-voting common shares (the "**BWS Escrowed Shares**"), of one or more private companies, which we refer to as an escrow company, to executives or other individuals designated by the Board. Each escrowed company is capitalized with common shares and preferred shares issued to our company. Each escrowed company will directly or indirectly purchase exchangeable shares. Escrowed companies may purchase exchangeable shares in the open market or, subject to obtaining exemptive relief, acquire the exchangeable shares that were acquired by Brookfield upon exchanges by our company's shareholders. Participants will either be awarded BWS Escrowed Shares or be provided with an election to contribute exchangeable shares or other BWS Escrowed Shares of a different escrowed company as consideration for the BWS Escrowed Shares. Dividends paid to each escrowed company on the exchangeable shares acquired by the escrowed company will be used to pay dividends on the preferred shares which are held by our company and on certain BWS Escrowed Shares held by participants who contributed the underlying exchangeable shares to an escrowed company in connection with the award of BWS Escrowed Shares. The BWS Escrowed Shares acquired by an escrowed company will not be voted. Except as otherwise determined by our Board, 20% of BWS Escrowed Shares will vest on the first anniversary of the granting of such shares, with an additional 20% vesting on each subsequent anniversary, up to an including the fifth anniversary of the grant of the BWS Escrowed Shares. On date(s) determined by the holders of the BWS Escrowed Shares that are generally between the applicable vesting date and 10 years after the initial grant, the vested BWS Escrowed Shares will be acquired by our company in exchange for the issuance of exchangeable shares from treasury, where the value of such exchangeable shares being issued is equal to the BWS Escrowed Shares being acquired. The value of the escrowed shares will be equal to the increase in value of the exchangeable shares held by the escrowed company since the grant date of the BWS Escrowed Shares, based on the volume-weighted average price of the exchangeable shares on the New York Stock Exchange on the date of the exchange. Aside from transfers to our company in the case of a termination of employment or for personal estate planning purposes, transfers of BWS Escrowed Shares are not permitted. No incremental entitlements are triggered by a change in control of our company under the BWS Escrowed Stock Plan. The number of BWS Escrowed Shares granted under the BWS Escrowed Stock Plan annually, expressed as a percentage of the weighted average number of exchangeable shares outstanding in the year, was 0.29% in 2025. No BWS Escrowed Shares were granted in 2024. The BWS Escrowed Stock Plan contains an amending provision setting out the types of amendments which can be approved by the Board without shareholder approval and those which require shareholder approval. Shareholder approval will be required for any amendment that increases the number of exchangeable shares issuable under the BWS Escrowed Stock Plan, any amendment expanding the categories of eligibility under the BWS Escrowed Stock Plan which would have the potential of broadening or increasing insider participation, which would include any amendment that would permit the introduction or reintroduction of non-employee directors of our company as eligible participants, any amendment which deletes or reduces the range of amendments requiring shareholder approval or other amendments required by law to be approved by shareholders. Shareholder approval will not be required for, among other matters, any amendment to the BWS Escrowed Stock Plan or any BWS Escrowed Share that is of a housekeeping or administrative nature, that is necessary to comply with applicable laws or to qualify for favorable tax treatment, that is to the vesting, termination or early termination provisions (provided that the amendment does not entail an extension beyond the tenth anniversary of the award date), and to suspend or terminate the BWS Escrowed Stock Plan.

Each of our NEOs are subject to our company's clawback policy. Pursuant to our clawback policy, executive officers of our company may be required to pay our company an amount equal to some or all of any cash payments or equity awards granted or paid to an executive officer under the terms of any of our company's incentive compensation, including short- and long-term incentive plans (collectively, "**Awards**"). This payment may be required in the event an executive officer is determined to have engaged in conduct which the Compensation Committee determines is detrimental to our company. The Compensation Committee has full and final authority to make all determinations under the clawback policy including, without limitation, whether the clawback policy applies and if so, the amount of compensation to be repaid or forfeited by the executive officer. In order to protect our company's reputation and competitive ability, executive officers of our company may be required to make such a payment if they engage in conduct that is detrimental to our company during or after the cessation of their employment with our company. Detrimental conduct includes any conduct or activity, whether or not related to the business of our company, that is determined in individual cases by the Compensation Committee, to constitute: (i) fraud, theft-in-office, embezzlement or other indictable offences; (ii) failure to abide by applicable financial reporting, disclosure and/or accounting guidelines; (iii) material violations of our company's Code of Business Conduct and Ethics; or (iv) material violations of our company's positive work environment policy (including the sexual harassment related provisions thereof). The clawback policy relates to any Awards received (i) on or after the date the executive officer is determined to have engaged in detrimental conduct and/or (ii) the two-year period prior to the date the executive officer is determined to have engaged in detrimental conduct. Where it is determined that the executive officer engaged in detrimental conduct, the Compensation Committee will have the ability to: (i) require the executive officer to re-pay any Award granted or paid to the executive officer; (ii) cancel/revoke any prior Award that has not yet vested, and any Award that has vested but has not yet been exercised by the executive officer; and/or (iii) require the executive officer to re-pay the cash value realized by the executive officer on any Award that has already vested to the executive officer.

Summary of Compensation

The following table sets out information concerning the compensation earned by, paid to or awarded to the NEOs during the year ended December 31, 2025.

Mr. Shah, Mr. Lorilla and Mr. McRaith are paid in U.S. Dollars. Mr. Corbett and Mr. Forestell are paid in Canadian dollars. All Canadian dollar compensation amounts have been converted into U.S. dollars at an exchange rate of C$1.00 = US$0.7159, which was the average exchange rate for 2025 as reported by Bloomberg, unless otherwise noted.

Summary Compensation Table

				Share-based Awards			Options-based Awards			
Name and Principal Position	Year	Annual Base Salary ($)	Annual Cash Bonus[1] ($)	Deferred Share Units (DSUs) ($)	Restricted Shares [2] ($)	Escrowed Shares[3] ($)	Options[4] ($)	Pension Value ($)	All Other Compensation[5] ($)	Total Annual Compensation ($)
Sachin Shah, Chief Executive Officer	2025	900,000	900,000	—	—	9,342,830	—	—	32,516	11,175,346
Lorenzo Lorilla, Chief Investment Officer	2025	700,000	700,000	—	—	—	2,628,313	—	37,736	4,066,049
Thomas Corbett, Chief Financial Officer	2025	447,438	447,438	—	357,950	—	1,387,339	—	30,090	2,670,255
Paul Forestell, Chief Actuary and Managing Partner	2025	411,643	411,643	—	—	—	730,296	—	30,090	1,583,672
Michael McRaith, Vice Chair	2025	700,000	700,000	—	—	—	876,090	—	29,827	2,305,917

(1) Each NEO is awarded an annual incentive which he or she can elect to receive in cash, DSUs or restricted shares.

(2) The amount for 2025 restricted shares reflects Thomas Corbett's award under the BWS Restricted Stock Plan.

(3) The amount for 2025 reflects an annual grant of escrowed shares for Sachin Shah made in February 2026. The value awarded under the escrowed stock plan for annual grants is determined by Brookfield Corporation and considers the stock market price of the class A exchangeable shares at the time of the award and the potential increase in value. For awards made in 2025, this is based on a hold period of 7.5 years, a volatility of 29.87%, a risk free rate of 3.88% and a dividend yield of 0.7%. This value for all grants has been discounted by 25% to reflect the five-year vesting.

(4) The amounts for 2025 reflect annual grants of options. The value awarded under the MSOP for annual grants is determined by Brookfield and considers the stock market price of the Brookfield Class A Shares at the time of the award and the potential increase in value. For Thomas Corbett, Lorenzo Lorilla, Paul Forestell and Michael McRaith, this is based on Brookfield Corporation options with a hold of 7.5 years, a volatility of 30.71%, a risk free rate of 3.88% and a dividend yield of 0.8%. These values, for the annual grants, have been discounted by 25% to reflect the five-year vesting.

(5) These amounts include annual retirement savings contributions, group benefits and participation in the executive benefits program.

Option Awards and Share-Based Awards at December 31, 2025

The following table shows the Brookfield Corporation options, restricted shares, escrowed shares and DSUs outstanding at December 31, 2025.

			Share-Based Awards								
	Option Awards Vested and Unvested		Restricted Shares			Escrowed Shares			Deferred Share Units (DSUs)		
Name	Number of Securities Underlying Unexercised Options (#)	Market Value of Unexercised in-the-money Options[1][2] ($)	Number of Unvested RSs (#)	Market Value of Unvested RSs[2] ($)	Market Value of Vested RS[2] ($)	Number of Unvested ESs[3] (#)	Market Value of Unvested ESs[2][3] ($)	Market Value of Vested ESs[2][3] ($)	Number of Unvested DSUs (#)	Market Value of Unvested DSUs[2] ($)	Market Value of Vested DSUs[2] ($)
Sachin Shah	—	—	—	—	—	5,939,967	130,189,931	94,900,523	—	—	20,734,663
Lorenzo Lorilla	639,150	10,491,414	63,434	2,910,964	338,301	—	—	—	—	—	—
Thomas Corbett	398,061	6,604,791	6,992	321,028	382,759	—	—	—	—	—	770,912
Paul Forestell	265,910	4,442,863	1,449	66,547	268,381	—	—	—	—	—	—
Michael McRaith	224,586	3,467,720	90,554	4,155,535	—	—	—	—	—	—	—

(1) The market value of the options is the amount by which the closing price of the Brookfield Class A Shares on December 31, 2025 exceeded the exercise price of the options.

(2) All values are calculated using the closing price of a Brookfield Class A Share on December 31, 2025 on the TSX and NYSE, as applicable, according to the currency in which the awards were originally made. The closing price of a Brookfield Class A Share on the TSX on December 31, 2025 was $45.92 (C$63.02 converted to U.S. dollars at the Bloomberg mid-market exchange rate on December 31, 2025 of C$1.00 = US$0.7286) and $45.89 on the NYSE, as applicable.

(3) The value of the escrowed shares is equal to the value of the Brookfield Class A Shares held by the applicable escrow company less the net liabilities and preferred share obligations of such escrow company.

The following table shows the BWS restricted shares and escrowed shares outstanding at December 31, 2025.

	Share-Based Awards					
	Restricted Shares			Escrowed Shares		
Name	Number of Unvested RSs (#)	Market Value of Unvested RSs[1] ($)	Market Value of Vested RS[2] ($)	Number of Unvested ESs[2] (#)	Market Value of Unvested ESs[1][2] ($)	Market Value of Vested ESs[1][2] ($)
Sachin Shah	—	—	—	1,125,000	6,663,263	—
Thomas Corbett	10,729	493,977	68,738	—	—	—

(1) All values are calculated using the closing price of a BWS Class A Share on December 31, 2025 on the TSX and NYSE, as applicable, according to the currency in which the awards were originally made. The closing price of a Brookfield Class A Share on the TSX on December 31, 2025 was $46.04 (C$63.19 converted to U.S. dollars at the Bloomberg mid-market exchange rate on December 31, 2025 of C$1.00 = US$0.7286) and $45.95 on the NYSE, as applicable.

(2) The value of the escrowed shares is equal to the value of the BWS Class A Shares held by the applicable escrow company less the net liabilities and preferred share obligations of such escrow company.

Outstanding Option Awards at December 31, 2025

The following table shows the details of each Brookfield Corporation option outstanding at December 31, 2025.

	Option-based Awards			
Name	**Number of securities underlying unexercised options (#)**	**Options exercise price ($)**	**Options expiration date**	**Market value of unexercised options[1] ($)**
Lorenzo Lorilla	43,500	31.0812	February 17, 2032	644,183
	214,575	24.2436	February 16, 2033	4,644,776
	224,400	26.6881	February 15, 2034	4,308,906
	156,675	40.1868	February 23, 2035	893,549
Thomas Corbett	17,100	21.0962	December 13, 2029	423,974
	3,375	24.6833	February 24, 2030	71,573
	21,825	23.7081	February 21, 2031	484,120
	19,875	31.0812	February 17, 2032	294,325
	119,212	24.2436	February 16, 2033	2,580,511
	112,200	26.6881	February 15, 2034	2,154,453
	104,474	40.1868	February 23, 2035	595,836
Paul Forestell	43,499	31.0812	February 17, 2032	644,168
	95,362	24.2436	February 16, 2033	2,064,244
	74,812	26.6881	February 15, 2034	1,436,533
	52,237	40.1868	February 23, 2035	297,918
Michael McRaith	24,862	31.0812	February 17, 2032	368,176
	59,625	24.2436	February 16, 2033	1,290,667
	74,812	26.6881	February 15, 2034	1,436,533
	65,287	40.1868	February 23, 2035	372,345

(1) The market value of the options is the amount by which the closing price of the Brookfield Class A Shares on December 31, 2025 exceeded the exercise price of the options. All values are calculated using the closing price of a Brookfield Class A Share on December 31, 2025 on the TSX and on the NYSE, as applicable. The closing price of a Brookfield Class A Share on the TSX on December 31, 2025 was $45.92 (C$63.02 converted to U.S. dollars at the Bloomberg mid-market exchange rate on December 31, 2025 of C$1.00 = US$0.7286) and $45.89 on the NYSE, as applicable.

Value Vested or Earned During 2025

The following table shows the value of all options, share-based awards, and non-equity plan compensation which vested during 2025.

Named Executive Officer	Value Vested During 2025[(1)] Options[(2)] ($)	DSUs[(3)] ($)	Restricted Shares[(4)] ($)	Escrowed Shares ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Sachin Shah	—	456,227	—	9,270,077	900,000
Lorenzo Lorilla	138,435	—	129,954	—	700,000
Thomas Corbett	103,216	—	186,901	—	447,451
Paul Forestell	59,622	—	56,281	—	411,655
Michael McRaith	39,419	—	157,260	—	700,000

(1) All values are calculated using the closing price of a Brookfield Class A Share on the vesting date on the TSX and on the NYSE, as applicable. Canadian dollar amounts are converted into U.S. dollars using the average Bloomberg mid-market exchange rate for 2025 of C$1.00 = US$0.7286. The value of the escrowed shares is equal to the value of the Brookfield Class A Shares held by the escrow company less the net liabilities and preferred share obligations of the escrow company.

(2) Values represent the amount by which the value of Brookfield Class A Shares exceeded the exercise price on the day the options vested.

(3) Values in this column represent the value of Brookfield Corporation DSUs vested in 2025, including DSUs awarded on February 24, 2025 in lieu of the cash bonus related to performance in 2024.

(4) Values in this column represent the value of restricted shares vested in 2025, including restricted shares awarded in lieu of the cash bonus related to performance in 2024.

Pension and Retirement Benefits

Our NEOs do not participate in any registered defined benefit or defined contribution plans or any other post-retirement supplementary compensation plans. The NEOs based in Canada receive an annual contribution to their registered retirement savings plans equal to 6% of their base salary, subject to an annual RRSP contribution limit established by the CRA.

The following table provides a summary of the termination provisions in Brookfield Corporation's long-term incentive plans, the BWS Escrowed Stock Plan and the BWS Restricted Stock Plan. No incremental entitlements are triggered by termination, resignation, retirement or a change in control. Any exceptions to these provisions are approved on an individual basis at the time of cessation of employment. Exceptions are approved by the chair of Brookfield Corporation's compensation committee or its board of directors, depending on the circumstances, in respect of Brookfield Corporation's long-term incentive plans or by the Compensation Committee or the Board, depending on the circumstances, in respect of the BWS Escrowed Stock Plan and the BWS Restricted Stock Plan.

Termination Event	DSUs	Options	Restricted Shares / Escrowed Shares
Retirement (as determined at the discretion of applicable board of directors)	Vested units are redeemable on the day employment terminates. Unvested units are forfeited.	Vesting ceases on retirement. Vested options are exercisable until their expiration date. Unvested options are cancelled.	Vested shares are redeemable on the day employment terminates, subject to the hold period. Unvested shares are forfeited.
Termination Without Cause	Vested units are redeemable on the day employment terminates. Unvested units are forfeited.	Upon date of termination, all unvested options are cancelled and vested options continue to be exercisable for 60 days[(1)] from the termination date, after which unexercised options are cancelled immediately.	Vested shares are redeemable on the day employment terminates, subject to the hold period. Unvested shares are forfeited.
Termination With Cause	Upon date of termination, all unvested and vested units are forfeited, with the exception of DSUs awarded as a result of a participant's election to take their annual bonus in the form of DSUs.	Upon date of termination, all vested and unvested options are cancelled.	Upon date of termination, all vested and unvested shares are forfeited.
Resignation	Vested units are redeemable on the day employment terminates. Unvested units are forfeited.	Upon date of termination, all vested and unvested options are cancelled.	Vested shares are redeemable on the day employment terminates, and remain subject to the hold period. Unvested shares are forfeited.
Death	Vested units are redeemable on the date of death. Unvested units are forfeited.	Options continue to vest and are exercisable for six months following date of death[(1)] after which all unexercised options are cancelled immediately.	Vested shares are redeemable on the date of death, and remain subject to the hold period. Unvested shares are forfeited.

(1) Up to but not beyond the expiry date of options.

ITEM 6.C BOARD PRACTICES

Board Structure, Practices and Committees

The structure, practices and committees of our Board, including matters relating to the size, independence and composition of our Board, the election and removal of directors, requirements relating to Board action and the powers delegated to Board committees are governed by our memorandum of association, bye-laws and policies adopted by our Board. Our Board is responsible for exercising the management, control, power and authority of our company except as required by applicable law, the memorandum of association or the bye-laws. The following is a summary of certain provisions of the memorandum of association, bye-laws and policies that affect our company's governance.

Meetings of the Board

Our Board meets at least four times each year, with additional meetings held to consider specific items of business or as deemed necessary. Meeting frequency and agenda items may change depending on the opportunities or risks faced by our company. Our Board is responsible for its agenda. At all quarterly meetings, the independent directors meet without the presence of management and the directors that are not independent.

Size, Independence and Composition of Our Board

The size of our Board currently is set at a minimum of four members and a maximum of sixteen members or such number in excess thereof as the shareholders may determine, with (i) at least two directors being local residents of Bermuda, (ii) no more than three directors being resident in any one other country (aside from Bermuda), (iii) no more than two directors elected by holders of class A exchangeable shares being resident in any one other country (aside from Bermuda) and (iv) no more than two directors elected by holders of class B shares being resident in any one other country (aside from Bermuda), provided that the Board may, at its discretion, increase or decrease the residency requirements.

In addition, our bye-laws provide that no directors or employees of Brookfield Corporation shall serve as a director of our company elected by holders of class A exchangeable shares. At least a majority of the directors holding office must be independent of our company and Brookfield, as determined by the full Board using the standards for independence established by the NYSE.

If the death, resignation or removal of an independent director results in our Board consisting of less than a majority of independent directors, the vacancy must be filled promptly. Pending the filling of such vacancy, our Board may temporarily consist of less than a majority of independent directors and those directors who do not meet the standards for independence may continue to hold office.

Election and Removal of Directors

In the election of directors, holders of class A exchangeable shares are entitled to elect one-half of the Board. The BNT Trust, which holds all of the class B shares, is entitled to elect the other one-half of the Board. Consistent with Brookfield Corporation, our bye-laws provide for cumulative voting. Accordingly, our bye-laws provide that each holder of shares of a class or series of shares of our company entitled to vote in an election of directors has the right to cast a number of votes equal to the number of votes attached to the shares held by the holder multiplied by the number of directors to be elected by the holder and the holders of shares of the classes or series of shares entitled to vote with the holder in the election of directors. A holder may cast all such votes in favor of one candidate or distribute such votes among its candidates in any manner the holder sees fit. Where a holder has voted for more than one candidate without specifying the distribution of votes among such candidates, the holder shall be deemed to have divided the holder's votes equally among the candidates for whom the holder voted.

Each of our current directors will serve until the close of the next annual meeting of shareholders of our company or his or her death, resignation or removal from office, whichever occurs first. Our bye-laws provide that any director may be removed as follows: (a) with respect to the directors elected by holders of the class A exchangeable shares, an affirmative vote of holders of class A exchangeable shares holding a majority of the issued and outstanding class A exchangeable shares entitled to vote at a special general meeting convened and properly held or conferring the right to vote on a resolution to remove a director; and (b) with respect to the directors elected by the holders of the class B shares, an affirmative vote of class B shareholders holding a majority of the issued and outstanding class B shares entitled to vote at a special general meeting convened and properly held or conferring the right to vote on a resolution to remove a director; provided, that the notice of any such meeting convened for the purpose of removing a director must contain a statement of the intention to remove the director and be served on the director not less than 14 days before the meeting, and that the director shall be entitled to be heard at the meeting on the motion for his or her removal. A director will be automatically removed from our Board if he or she becomes bankrupt, insolvent or suspends payments to his or her creditors or becomes prohibited by law from acting as a director.

Majority Voting Policy

Our Board has adopted a majority voting policy stipulating that, if the total number of shares voted in favor of the election of a director nominee represents less than a majority of the total shares voted and withheld for that director, the nominee will tender his or her resignation after the meeting. Within 90 days of the meeting, our Board will determine whether or not to accept a director's resignation and will issue a press release announcing our Board's decision, a copy of which will be provided to the TSX. Absent exceptional circumstances, our Board will accept the resignation. The resignation will be effective when accepted by our Board. If our Board determines not to accept a resignation, the press release will fully state the reasons for that decision. A director who tenders his or her resignation will not participate in a Board meeting at which the resignation is considered. The majority voting policy does not apply in circumstances involving contested director elections.

Mandate of the Board

Our Board oversees the management of our company's business and affairs directly and through three standing committees: the Audit Committee, Governance and Nominating Committee and Compensation Committee (collectively, the "**Committees**"). The responsibilities of our Board and each Committee, respectively, are set out in written charters, which are reviewed and approved annually by our Board.

Our Board is responsible for:

- overseeing our company's long-term strategic planning process and reviewing and approving its annual business plan;
- overseeing management's approach to managing the impact of key risks facing our company;
- safeguarding shareholders' equity interests through the optimum utilization of our company's capital resources;
- promoting effective corporate governance;
- overseeing our company's sustainability program and related practices;
- reviewing major strategic initiatives to determine whether management's proposed actions accord with long-term corporate goals and shareholder objectives;
- assessing management's performance against approved business plans;
- approving any change in the identity of the executive officers of our company and overseeing the Chief Executive Officer's selection of other members of senior management and reviewing succession planning;
- reviewing and approving the reports issued to shareholders, including annual and interim financial statements; and
- overseeing and reviewing our company's whistleblowing policies and practices.

Term Limits and Board Renewal

The Governance and Nominating Committee leads the effort to identify and recruit candidates to join our Board. In this context, the Governance and Nominating Committee's view is that our Board should reflect a balance between the experience that comes with longevity of service on our Board and the need for renewal and fresh perspectives.

The Governance and Nominating Committee does not support a mandatory retirement age, director term limits or other mandatory Board turnover mechanisms because its view is that such policies are overly prescriptive; therefore, our company does not have term limits or other mechanisms that compel Board turnover. The Governance and Nominating Committee does believe that periodically adding new voices to our Board can help our company adapt to a changing business environment and Board renewal is a priority.

The Governance and Nominating Committee reviews the composition of our Board on a regular basis in relation to approved director criteria and skill requirements and recommends changes as appropriate to renew our Board.

Transactions in which a Director has an Interest

A director who directly or indirectly has an interest in a contract, transaction or arrangement with our company or certain of our affiliates is required to disclose the nature of his or her interest to the full Board. Such disclosure may take the form of a general notice given to our Board to the effect that the director has an interest in a specified company or firm and is to be regarded as interested in any contract, transaction or arrangement which may after the date of the notice be made with that company or firm or its affiliates. A director may participate in any meeting called to discuss or any vote called to approve the transaction in which the director has an interest and any transaction approved by our Board will not be void or voidable solely because the director was present at or participates in the meeting in which the approval was given provided that our Board or a board committee authorizes the transaction in good faith after the director's interest has been disclosed or the transaction is fair to our company at the time it is approved.

Service Contracts

There are no service contracts with directors that provide benefit upon termination of employment.

Board Diversity Policy

Our company is committed to enhancing the diversity of our Board. Our company's view is that our Board should reflect a diversity of backgrounds relevant to its strategic priorities. This includes such factors as diversity of business expertise and international experience, in addition to geographic and gender diversity.

To achieve our Board of director's diversity goals, our company adopted the following written policy:

- Board appointments will be based on merit, having due regard for the benefits of diversity on our Board, so that each nominee possesses the necessary skills, knowledge and experience to serve effectively as a director; and
- In the director identification and selection process, diversity on our Board, including the level of representation of women on our Board, will influence succession planning and be a key criterion in identifying and nominating new candidates for election to our Board.

The diversity policy does not set any formal targets on diversity for directors at this time, because of the current need for geographic diversity of directors and the emphasis on subject matter expertise. The Governance and Nominating Committee is responsible for implementing our Board diversity policy, monitoring progress towards the achievement of its objectives and recommending to our Board any necessary changes that should be made to the policy.

Our company does not have a target for the representation of women in executive officer positions because such targets do not accurately reflect the full range of factors considered in hiring or promoting executive officers.

Director Share Ownership Requirements

We believe that directors can better represent shareholders if they have economic exposure to our company themselves. We expect that directors of our company hold sufficient number of our class A exchangeable shares and/or Brookfield Class A Shares such that the acquisition costs of our class A exchangeable shares or Brookfield Class A Shares held by such directors is equal to at least two times their aggregate annual retainer for serving as a director of our company, as determined by our Board from time to time. Directors of our company are required to meet this requirement within five years of their date of appointment.

Effective January 1, 2025, Directors of our company are required to elect to receive 50% of their annual board fees in the form of DSUs of Brookfield Corporation until they have met the minimum share ownership for Directors. Once the minimum share ownership is met, Directors are required to receive 25% of their annual board fees in the form of DSUs of Brookfield Corporation.

Director Orientation and Education

New directors of our company are provided with comprehensive information about our company and our operating subsidiaries. Arrangements are made for specific briefing sessions from appropriate senior personnel to help new directors better understand our strategies and operations. They also participate in the continuing education measures discussed below.

Our Board receives annual operating plans for our business and more detailed presentations on particular strategies. Existing directors are invited to join the orientation sessions for new directors as a refresher. The directors have the opportunity to meet and participate in work sessions with management to obtain insight into the operations of our company and our operating subsidiaries. Directors are regularly briefed to ensure their understanding of industry-related issues such as accounting rule changes, transaction activity, capital markets initiatives, significant regulatory developments, as well as trends in corporate governance. Additionally, all directors are required to maintain a current understanding of our company's business and operations, industries and sectors in which we operate globally, material developments and trends in asset management and our company's strategic initiatives.

Committees of the Board

The three standing Committees of our Board assist in the effective functioning of our Board and help ensure that the views of independent directors are effectively represented:

- Audit Committee;
- Governance and Nominating Committee; and
- Compensation Committee.

The responsibilities of these Committees are set out in written charters, which are reviewed and approved annually by our Board. It is our Board's policy that all Committees must consist entirely of independent directors. Special committees may be formed from time to time to review particular matters or transactions. While our Board retains overall responsibility for corporate governance matters, each standing Committee has specific responsibilities for certain aspects of corporate governance in addition to its other responsibilities, as described below.

Audit Committee

The Audit Committee is comprised of: Lars Rodert, Gregory Morrison, Anne Schaumburg and William Cox. The Audit Committee is responsible for monitoring our company's systems and procedures for financial reporting and associated internal controls, and the performance of our company's external and internal auditors. It is responsible for reviewing certain public disclosure documents before their approval by our full Board and release to the public, such as our company's quarterly and annual financial statements and management's discussion and analysis. The Audit Committee is also responsible for recommending the independent registered public accounting firm to be nominated for appointment as the external auditor, and for approving the assignment of any non-audit work to be performed by the external auditor, subject to the Audit Committee's Audit Policy. The Audit Committee meets regularly in private session with our company's external auditor and internal auditors, without management present, to discuss and review specific issues as appropriate. In addition to being independent directors as described above, all members of the Audit Committee must meet an additional "independence" test under Canadian and U.S. securities laws, in that their directors' fees must be and are the only compensation they receive, directly or indirectly, from our company. Further, the Audit Committee requires that all its members disclose any form of association with a present or former internal or external auditor of our company to our Board for a determination as to whether this association affects the independent status of the director.

Governance and Nominating Committee

The Governance and Nominating Committee is comprised of: William Cox, Michele Coleman Mayes, Lars Rodert and Anne Schaumburg. It is the responsibility of the Governance and Nominating Committee, in consultation with the Chair, to assess from time to time the size and composition of our Board and its Committees, to review the effectiveness of our Board operations and its relations with management, to assess the performance of our Board, its Committees and individual directors, to review our company's statement of corporate governance practices and to review and recommend the directors' compensation. Our Board has implemented a formal procedure for evaluating the performance of our Board, its Committees and individual directors where the Governance and Nominating Committee reviews the performance of our Board, its Committees and the contribution of individual directors on an annual basis.

The Governance and Nominating Committee is responsible for reviewing the credentials of proposed nominees for election or appointment to our Board and for recommending candidates for membership on our Board, including the candidates proposed to be nominated for election to our Board at the annual meeting of shareholders. To do this, the Governance and Nominating Committee maintains an "evergreen" list of candidates to ensure outstanding candidates with needed skills can be quickly identified to fill planned or unplanned vacancies. Candidates are assessed in relation to the criteria established by our Board to ensure that our Board has the appropriate mix of talent, quality, skills, diversity, perspectives and other requirements necessary to promote sound governance and the effectiveness of our Board. The Governance and Nominating Committee is responsible for overseeing our company's approach to sustainability matters, which includes a review of our company's current and proposed sustainability initiatives and any material disclosures regarding sustainability matters.

Compensation Committee

The Compensation Committee is responsible for reviewing and reporting to our Board on management resource matters, including ensuring a diverse pool for succession planning, the job descriptions and annual objectives of senior executives, the form of executive compensation in general including an assessment of the risks associated with the compensation plans and the levels of compensation of the senior executives. The Compensation Committee annually assesses the performance of the Chief Executive Officer, taking into consideration the business operations and objectives of the company. The Compensation Committee also reviews, in consultation with the Chief Executive Officer, the performance of senior management. In addition, the Compensation Committee is responsible for reviewing any allegations of workplace misconduct claims that are brought to the Committee's attention through our company's ethics hotline, a referral from our company's human resources department.

All members of the Compensation Committee meet the standard director independence test in that they have no relationship which could, in the view of our Board, be reasonably expected to interfere with the exercise of their independent judgment.

Our Board has also adopted a heightened test of independence for all members of the Compensation Committee, which entails that our Board has determined that no Compensation Committee member has a relationship with senior management that would impair the member's ability to make independent judgments about our company's executive compensation. This additional independence test complies with the test in the listing standards of the NYSE. Additionally, the Compensation Committee evaluates the independence of any advisor it retains in order to comply with the aforementioned NYSE listing standards.

In reviewing our company's compensation policies and practices each year, the Compensation Committee seeks to ensure the executive compensation program provides an appropriate balance of risk and reward consistent with the risk profile of our company. The Compensation Committee also seeks to ensure our company's compensation practices do not encourage excessive risk-taking behavior by the senior management team.

The participation in long-term incentive plans is intended to discourage executives from taking excessive risks in order to achieve short-term unsustainable performance.

Board, Committee and Director Evaluation

Our Board believes that a regular and formal process of evaluation improves the performance of our Board as a whole, the Committees and individual directors. A survey is sent annually to independent directors inviting comments and suggestions on areas for improving the effectiveness of our Board and its Committees. The results of the survey are reviewed by the Governance and Nominating Committee, and any recommendations from the Governance and Nominating Committee are sent to our Board as required. Each independent director also receives a self-assessment questionnaire and all directors are required to complete a skill-set evaluation which is used by the Governance and Nominating Committee for planning purposes. The Chair also holds private interviews with each non-management director annually to discuss the operations of our Board and its Committees, and to provide any feedback on the individual director's contributions.

Position Descriptions

The Board has adopted a written position description for the Chair, which sets out the Chair's key responsibilities, including, as applicable, duties relating to setting Board meeting agendas, chairing Board and shareholder meetings and communicating with shareholders and regulators. The Board has also adopted a written position description for each of the Committee chairs which sets out each of the Committee chair's key responsibilities, including duties relating to setting Committee meeting agendas, chairing Committee meetings and working with the Committee and management to ensure, to the greatest extent possible, the effective functioning of the Committee.

The Board has also adopted a written position description for the Chief Executive Officer which sets out the key responsibilities of the Chief Executive Officer. The primary functions of the Chief Executive Officer is to lead management of the business and affairs of our company, to lead the implementation of the resolutions and the policies of the Board, to supervise day to day management and to communicate with shareholders and regulators.

Personal Trading Policy

All directors, officers and employees of our company and its subsidiaries are subject to our personal trading policy, which prohibit trading in the securities of our company, Brookfield Corporation or Brookfield Asset Management Ltd., while in possession of material undisclosed information about our company, Brookfield Corporation or Brookfield Asset Management Ltd. Those individuals are also prohibited from entering into certain types of hedging transactions involving the securities of our company, such as short sales, prepaid variable forward contracts, equity swaps and put options. In addition, our personal trading policy prohibits trading in our company's securities during prescribed blackout periods. We also require all executives and directors to pre-clear trades in our company's securities.

Code of Business Conduct and Ethics

Our company's policy is that all its activities be conducted with the utmost honesty, integrity, fairness and respect and in compliance with all legal and regulatory requirements. To that end, our company maintains a Code of Business Conduct and Ethics, a copy of which is available on our website at https://bnt.brookfield.com and has been filed on our SEDAR+ profile at www.sedarplus.ca and EDGAR profile at www.sec.gov. The Code of Business Conduct and Ethics sets out the guidelines and principles for how directors and employees should conduct themselves as members of our team. Preserving our corporate culture is vital to the organization and following the Code of Business Conduct and Ethics will help us do that.

All directors, officers and employees of our company are required to provide a written acknowledgment upon joining our company that they are familiar with and will comply with the Code of Business Conduct and Ethics. All directors, officers and employees of our company are required to provide this same acknowledgment annually. Our Board reviews the Code of Business Conduct and Ethics annually to consider whether to approve changes in our company's standards and practices.

ITEM 6.D EMPLOYEES

We have over 4,000 full time employees located primarily in Canada, the U.S., United Kingdom, the Cayman Islands, Bermuda and Japan. These employees are responsible for the execution of all material aspects of the business including management, underwriting, oversight and decision-making responsibilities.

Up until March 22, 2024, we received the services of our company's Chief Executive Officer, Chief Financial Officer and Chief Investment Officer, as well as certain administrative support services under the terms of the Administration Agreement. Such services including support for payroll processing and administration, benefits administration, support for equity compensation administration and reporting, information technology systems and support and the provision of office space. The services provided to us by Brookfield under the Administration Agreement will be provided on a cost-recovery basis. Effective March 22, 2024, our company internalized the services of the Chief Executive Officer, Chief Financial Officer and Chief Investment Officer and now employs these individuals directly. See below under the heading "*Material Contracts — The Administration Agreement*". We may also outsource some of our administrative services to third parties, in each case on market terms.

ITEM 6.E SHARE OWNERSHIP

As of March 23, 2026, the directors and officers of our company, and their respective associates, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, approximately 5% of the outstanding class A exchangeable shares. The following table shows the number of Class A exchangeable shares held by each of the directors and officers of our company as of March 23, 2026:

Name	Title	Number of class A exchangeable shares	Percentage of total class A exchangeable shares
Barry Blattman	Director	1,121,703	1.72%
Soonyoung Chang	Director	—	—
William Cox	Director	8,947	*
Michele Coleman Mayes	Director	—	—
Michael McRaith	Director	—	*
Gregory Morrison	Director	—	—
Lori Pearson	Director	199,532	*
Lars Rodert	Director	—	—
Anne Schaumburg	Director	2,184	*
Sachin Shah	Director and Chief Executive Officer	1,948,603	2.98%
Thomas Corbett	Chief Financial Officer	19,436	*
Paul Forestell	Managing Partner and Chief Actuary	—	—
Lorenzo Lorilla	Chief Investment Officer	—	—

* Represents less than 1% of the applicable total.

ITEM 6.F DISCLOSURE OF A REGISTRANT'S ACTION TO RECOVER ERRONEOUSLY AWARDED COMPENSATION

Not applicable.

ITEM 7 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

ITEM 7.A MAJOR SHAREHOLDERS

The table below presents information as of March 23, 2026 regarding each person or entity that beneficially owns 5% or more of our class A exchangeable shares and class B shares. Our class A exchangeable shares held by the principal shareholders listed below do not entitle such shareholders to different voting rights than those of other holders of our class A exchangeable shares.

	Class A Exchangeable Shares Beneficially Owned [1][3]		Class B Shares Beneficially Owned[1][2]	
Name	Number	Percentage[2]	Number	Percentage
Bruce Flatt[4]	23,581,468	9.9%	—	—%
BNT Trust	—	—%	36,000	100.0%
PVII[5]	12,320,343	9.9%	—	—%

(1) Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities.

(2) The BNT Trust beneficially owns all of our class B shares. The BNT Trust is entitled to elect half of our Board and approve all other matters requiring shareholder approval. See Item 10.B "*Memorandum and Articles of Association – Class B Shares – Election of Directors*".

(3) Our bye-laws provide that no holder shall be permitted to exercise more than 9.9% of the total votes attaching to the class A exchangeable shares. Accordingly, the percentages shown reflect the voting power attaching to the shares owned by Mr. Flatt and Partners Value Investments Inc., respectively, based on the voting adjustment mechanics in our bye-laws. See Item 10.B "*Memorandum and Articles of Association – Voting Rights of Class A Exchangeable Shares*".

(4) Mr. Flatt, directly and indirectly (including in certain instances through non-controlling interests), owns 23,581,468 class A exchangeable shares, which represents 36.09% of the issued and outstanding class A exchangeable shares based on 65,327,130 class A exchangeable shares outstanding on March 23, 2026.

(5) PVII holds, directly and indirectly, 12,320,343 class A exchangeable shares through its wholly-owned subsidiary, PVII BN Holdings LP, which represents 18.85% of the issued and outstanding class A exchangeable shares based on 65,327,130 class A exchangeable shares outstanding on March 23, 2026.

To our knowledge, other than as disclosed in the table above, our other filings with the SEC, public disclosure, including without limitation Schedule 13 filings, and this annual report, there has been no significant change in the percentage ownership held by any major shareholder, with a holding of 5% or greater, since December 31, 2021.

To the knowledge of the directors and officers of the company, there are no other persons or corporations, or any foreign governments, that beneficially own, exercise control or direction over, have contractual arrangements such as options to acquire, or otherwise hold voting securities of the company carrying more than 5% of the votes attached to any class of outstanding voting securities of our company.

As of March 23, 2026, 18,698 out of our 65,327,130 outstanding class A exchangeable shares were held by 610 holders of record in the United States, not including class A exchangeable shares held of record by DTC. As of March 23, 2026, DTC was the holder of record of 30,238,450 class A exchangeable shares.

ITEM 7.B RELATED PARTY TRANSACTIONS

Our exchangeable shares have been structured with the intention of providing an economic return equivalent to the Brookfield Class A Shares due to each exchangeable share (i) being exchangeable at the option of the holder for one Brookfield Class A Share or its cash equivalent (the form of payment to be determined at the election of Brookfield Corporation), subject to certain limitations as more fully described in this Form 20-F, and (ii) receiving distributions at the same time and in the same amounts as dividends on the Brookfield Class A Shares. Therefore, we expect that the market price of our exchangeable shares should be impacted by the market price of the Brookfield Class A Shares and the business performance of Brookfield Corporation (including as a result of its investment in BAM). Brookfield Corporation is the sole holder, directly or indirectly, of all of our class C shares, which entitle Brookfield Corporation to all of the residual value in our company after payment in full of the amount due to holders of exchangeable shares and class B shares (consisting of any declared and unpaid distributions, and the delivery of Brookfield Class A Shares or the cash equivalent on a redemption or liquidation) and subject to the prior rights of holders of Preferred Shares. We believe this residual economic interest, together with the mechanisms to create economic equivalence between the exchangeable shares and Brookfield Class A Shares, aligns the interests of Brookfield Corporation and our shareholders since an investment in our exchangeable shares provides investors with the same economic exposure to the broader business of Brookfield Corporation as an investment in the Brookfield Class A Shares.

As a result of the exchanges of our exchangeable shares that occur from time to time, Brookfield Corporation may own certain of our exchangeable shares. Brookfield Corporation currently owns less than 5% of the exchangeable shares. In its capacity as the holder of the class C shares, any exchangeable shares that are owned by Brookfield Corporation from time to time are convertible at its option into additional class C shares. Brookfield Corporation will be entitled to cast one vote for each class A exchangeable share to the extent held on the record date for voting at a meeting of shareholders of the company, consistent with the rights of other holders of the class A exchangeable shares.

Brookfield Corporation will also have a consent right over certain matters regarding our company and the right to commence a liquidation of our company upon the occurrence of certain events. See Item 10.B "*Memorandum and Articles of Association — Rights Agreement*" for a further description of the Rights Agreement, Item 10.B "*Memorandum and Articles of Association — Class A Exchangeable Shares and Class A-1 Exchangeable Shares — Redemption*", Item 10.B "*Memorandum and Articles of Association — Class C Shares — Conversion of Tendered Class A Exchangeable Shares*", Item 10.B "*Memorandum and Articles of Association — Class C Shares — Voting*" and Item 10.B "*Memorandum and Articles of Association — Comparison of the Rights of Holders of Exchangeable Shares and Brookfield Class A Shares — Shareholder Resolution Approvals*".

For a description of certain related party transactions, see Note 26, "Related Party Transactions" in the notes to the consolidated financial statements.

Conflicts of Interest

Brookfield is a global alternative asset manager with a substantial amount of assets under management and a long history of investing in, owning, managing and operating assets, businesses and investment vehicles across various industries, sectors, geographies, and strategies. Brookfield's activities include, among others: (a) investment and asset management; (b) sponsoring, offering and managing private and public investment vehicles, including vehicles with proprietary and/or third-party capital, that invest in the global fixed income, currency, commodity, equities, debts, loans, private equity, private debt and other markets; (c) managing and investing insurance and reinsurance capital; (d) developing, constructing, owning, managing, operating and servicing a diverse portfolio of real estate assets, renewable power, infrastructure, private equity, and other companies and assets held by investment vehicles, including among others residential, commercial, logistics, hospitality, storage and mixed-use real estate, data, transport, utilities, midstream, and other infrastructure assets, hydro, wind, solar, distributed energy, sustainable solutions and other renewable power and climate transition assets, and other businesses and assets that provide essential products and services; (e) providing capital and financing solutions, including value-driven, opportunistic and bespoke credit and financing structures, as well as financial advisory, business development, capital markets, underwriting and syndication, and other financial services to its investment vehicles and third-parties; and (f) other activities.

As noted in this Form 20-F, we refer to our company as a paired entity to Brookfield Corporation – our exchangeable shares have been structured with the intention of providing an economic return equivalent to the Brookfield Class A Shares due to each exchangeable share (i) being exchangeable at the option of the holder for one Brookfield Class A Share or its cash equivalent (the form of payment to be determined at the election of Brookfield Corporation), subject to certain limitations as more fully described in this Form 20-F, and (ii) receiving distributions at the same time and in the same amounts as dividends on the Brookfield Class A Shares, and Brookfield Corporation is the sole holder, directly or indirectly, of all of our class C shares, which entitle Brookfield Corporation to all of the residual value in our company after payment in full of the amount due to holders of exchangeable shares and class B shares (consisting of any declared and unpaid distributions, and the delivery of Brookfield Class A Shares or the cash equivalent on a redemption or liquidation) and subject to the prior rights of holders of Preferred Shares. In addition, Brookfield Corporation (which is the primary vehicle through which Brookfield owns ownership interests in assets, businesses and investment vehicles) holds an approximate 73% interest in BAM (which is the primary vehicle through which Brookfield provides investment advisory and related services to Brookfield Accounts), creating a significant economic alignment between Brookfield Corporation and BAM and, by extension, between our company and BAM. As noted elsewhere, Brookfield Accounts include Brookfield-sponsored public and private investment vehicles and programs managed on behalf of third-party investors and Brookfield proprietary accounts, including private funds, publicly listed issuers, joint ventures, partnerships, consortiums, separate accounts, co-investment vehicles, sidecar vehicles, region-, strategy-, and sector-specific vehicles, and insurance companies.

In light of the alignment of interests among our company, Brookfield Corporation and BAM, and as noted in this Form 20-F, a key element of our business strategy is to leverage Brookfield's broader investment, operational and financial platform for our benefit. We leverage Brookfield's broader business platform's experience, expertise, reach, relationships, connectivity, positioning and business activities to enhance and optimize our investments, operations and other business activities across industries, sectors, geographies and strategies, including in connection with the sourcing of investment opportunities and deal flow, financial resources, access to capital markets and operating needs. Overall, we believe that this is in our best interests because we believe that access to and the ability to leverage Brookfield's broader business platform will enhance our capabilities and increase our value. This forms an integral part of our operations.

We rely on Brookfield's broader business platform to provide us with: (a) investment advisory and portfolio management services relating to our insurance company subsidiaries, investment vehicles and our other direct and indirect investments, including Brookfield Accounts in which we invest and their investments, (b) operational services to assets and portfolio companies in which we invest (including indirectly through our interests in other Brookfield Accounts), and (c) additional investment, operational and financial support. This reliance results in, among other things, our company: (a) investing in or alongside Brookfield Accounts, (b) investing in securities, loans, structured financings, and/or other financial instruments issued by Brookfield Accounts and/or portfolio companies thereof and/or syndicated by Brookfield-related parties, (c) investing in different parts of an issuer's or portfolio company's capital structure (relative to investments made by other Brookfield Accounts), (d) transacting with Brookfield Accounts, including in respect of investments, other assets and/or services, (e) providing financing, refinancing and/or other loans to Brookfield Accounts and/or portfolio companies or investments thereof for acquisition, investment, financing, working capital, and/or other purposes, (f) providing acquisition financing and other capital solutions to purchasers of assets sold by Brookfield Accounts, (g) warehousing investments on behalf of Brookfield Accounts, and (h) retaining Brookfield-related parties for operational, management and/or other services relating to assets and portfolio companies in which we invest, including indirectly through Brookfield Accounts. In addition, from time to time, Brookfield personnel will participate in investments alongside our company, where we and Brookfield believe it would be in our company's best interests.

Our business strategy and overall relationship with Brookfield will give rise, in the ordinary course, to various potential and/or actual conflicts of interest considerations, particularly where our interests could conflict with those of other Brookfield Accounts and their third-party investors. For example, our company expects to: (a) compete with other Brookfield Accounts for investment opportunities, (b) from time to time, invest in (or exit from) investments on terms and/or at times that are different from those applicable to other Brookfield Accounts, (c) invest in different parts of an issuer's or portfolio company's capital structure (e.g., debt investments) relative to investments made by other Brookfield Accounts (e.g., equity investments, investments in different parts of an issuer's debt capital structure), potentially leading to divergent interests upon certain events, such as defaults by the issuer on debt payments, (d) limit (and, under certain circumstances, reduce) the size of investments made in different parts of an issuer's or portfolio company's capital structure relative to investments made by other Brookfield Accounts and manage such investments pursuant to a passive investment strategy (for example, our company generally will not vote on matters presented to investors in the relevant tranche or class to vote on or otherwise participate in, or seek to influence the outcome of, negotiations and/or decisions relating to the relevant tranche or class, but rather defer to the third-party investors controlling the applicable tranche or class (or an independent third-party agent acting on behalf of all investors in the relevant tranche or class) to act on behalf of all investors in that tranche or class as a whole to mitigate the potential and/or actual conflicts of interest considerations relative to Brookfield's other client accounts and their investors), (e) provide capital solutions, including financings and/or refinancings, to other Brookfield Accounts and/or portfolio companies thereof, which require a negotiation of the terms of such arrangements, (f) facilitate activities of other Brookfield Accounts, including through warehousing arrangements for and/or joint transactions with other Brookfield Accounts, (g) from time to time be subject to investment or trading restrictions (including prohibitions on trading activities and/or limitations on position sizes) as a result of information obtained and/or other activities engaged in by Brookfield on behalf of other Brookfield Accounts, and/or (h) execute other transactions between our company, on the one hand, and other Brookfield Accounts, on the other hand.

Transactions between our company, on the one hand, and Brookfield and/or Brookfield Accounts, on the other hand, will be carried out on terms (including compensation terms) that Brookfield deems to be fair and reasonable under the circumstances, in accordance with applicable regulatory requirements, including insurance-related regulatory requirements, and in certain cases will require our express consent. Brookfield will seek to manage all potential and/or actual conflicts situations in a manner that is in the best interests of its client accounts, including our company and other Brookfield Accounts, in accordance with its fiduciary duties. In considering (and furthering) our best interests, Brookfield will take into account the overall alignment of interests between, and expected long-term relationship among, our company and Brookfield, as well as our key business strategy of seeking to benefit from Brookfield's broader business platform, which could result in resolution of one or more conflicts considerations differently than they would be resolved absent such considerations. Among other things, these considerations are expected to impact the terms of transactions agreed to, and the resolution of potential adverse situations, between our company, on the one hand, and Brookfield or other Brookfield Accounts, on the other hand. Brookfield expects to manage our interests in such situations in the same manner as if it were managing its own interests. As noted above, we believe that this is in our best interests, particularly in light of the alignment of interests among our company, Brookfield Corporation and BAM, which ensures Brookfield's interest in our long-term success and our reciprocal interest in the long-term success of Brookfield's broader business platform and, as a result, modifies the duties (including fiduciary and/or other duties) that Brookfield otherwise would owe to us.

A more detailed description of potential and/or actual conflicts of interest considerations that arise in connection with Brookfield's management of its business and investment platform, including as between Brookfield, on the one hand, and Brookfield Accounts (including Brookfield Accounts in which we invest), on the other hand, as well as the manner in which they are expected to be resolved, is set out in the Forms ADV (which are available at https://adviserinfo.sec.gov) for the following advisers: Brookfield Asset Management Private Institutional Capital Adviser (Canada), L.P., Brookfield Asset Management Private Institutional Capital Adviser US, LLC, Brookfield Asset Management Private Institutional Capital Adviser (Private Equity), L.P., Brookfield Asset Management Private Institutional Capital Adviser (Credit), LLC, Brookfield Renewable Energy Group LLC and Brookfield Asset Management Credit and Insurance Solutions Advisor LLC.

These considerations include, but are not limited to: (a) the allocation of investment (and co-investment) opportunities, (b) facilitation of investments and related activities by Brookfield Accounts and/or portfolio companies, (c) Brookfield's relationships with various market participants, (d) advice given to (and activities taken by) certain Brookfield Accounts and/or portfolio companies conflicting with advice given to (and activities taken by) other Brookfield Accounts and/or portfolio companies, (e) charging and allocation of fees, costs and expenses (including personnel costs and expenses), (f) Brookfield's integrated business platform and investment or trading restrictions that arise in connection with such a model, (g) data management, (h) investments by Brookfield Accounts alongside other Brookfield Accounts (including in different parts of an issuer's or portfolio company's capital structure), (i) linked transactions or arrangements forming part of broad business relationships with third parties (e.g., agreements to purchase assets or services from third parties in exchange for such parties' agreement to purchase assets or services from Brookfield Accounts), (j) investment activities of Brookfield personnel and walled-off business units, (k) transactions between Brookfield Accounts, including transactions for assets and/or services, (l) transactions among portfolio companies, (m) intangible benefits and/or discounts to Brookfield and its personnel, (n) use of strategic advisers, consultants and operating partners, and (o) insurance coverage.

The descriptions of these potential and/or actual conflicts considerations do not purport to provide a complete list or explanation of such considerations that could arise over time. However, as noted, Brookfield will manage all such situations in a manner that it deems to be fair and reasonable taking into account the relevant factors, including, as it applies to us, the overall alignment of interests between, and expected long-term relationship, among our company and Brookfield, as well as our key business strategy of seeking to benefit from Brookfield's broader business platform, which is deemed to be in our best interest. However, there can be no assurance that Brookfield's determinations will be the most beneficial or favorable to us.

Moreover, our company's activities are carried out through various insurance company subsidiaries, investment vehicles and accounts, including third-party cedent accounts – i.e., reinsurance counterparties – that hold assets backing liabilities reinsured or retroceded to our company in respect of which we have all of the economic risk. Subject to applicable regulatory requirements, including insurance-related regulatory requirements relating to transactions among our subsidiaries and accounts and overarching obligations to our insurance subsidiaries' policyholders, Brookfield generally manages all of our investment vehicles and accounts as a single aggregated investment vehicle or portfolio of assets for the ultimate benefit of our company and makes allocations among the accounts taking into account each account's investment guidelines, including constraints on issuer exposure and types of investments, the account's risk and return targets, and other portfolio construction considerations deemed relevant by Brookfield. In addition, Brookfield manages our company's subsidiaries, investment vehicles and accounts alongside third-party accounts that participate in the same investment opportunities, which also will give rise to certain potential and/or actual conflicts of interest considerations. A description of these considerations and the manner in which they are resolved is set out in Brookfield Asset Management Credit and Insurance Solutions Advisor LLC's Form ADV disclosures, which are available at https://adviserinfo.sec.gov. Brookfield Asset Management Credit and Insurance Solutions Advisor LLC's Form ADV disclosures are not part of this annual report.

Prospective investors are encouraged to seek the advice of independent legal counsel in evaluating the conflicts considerations relating to the management of our business activities. Notwithstanding anything to the contrary herein, nothing in our governing documents is intended to, or will, constitute a waiver of any rights or remedies that our company and/or our shareholders may have under such laws.

ITEM 7.C INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8 FINANCIAL INFORMATION

ITEM 8.A CONSOLIDATED STATEMENTS AND OTHER FINANCIAL INFORMATION

Financial Statements

See Item 18 "Financial Statements", which contains our audited consolidated financial statements prepared in accordance with U.S. GAAP as permitted by securities regulators in Canada, as well as in the United States under the status of a Foreign Private Issuer.

Dividend Policy

See Item 5.A "Operating Results — Brookfield Operating Results". Also see Item 10.B "*Memorandum and Articles of Association — Class A Exchangeable Shares and Class A-1 Exchangeable Shares — Distributions*".

Legal Proceedings

See Item 18 "Financial Statements".

ITEM 8.B SIGNIFICANT CHANGES

A discussion of the significant changes in our business can be found under Item 4 "*Information on the Company*", Item 4.A "*History and Development of the Company*" and Item 5.A "*Operating Results*".

ITEM 9 THE OFFER AND LISTING

ITEM 9.A OFFER AND LISTING DETAILS

The class A exchangeable shares are listed on the NYSE and the TSX under the symbol "BNT". Our class A exchangeable shares began trading on the NYSE and the TSX on June 28, 2021.

ITEM 9.B PLAN OF DISTRIBUTION

Not applicable.

ITEM 9.C MARKETS

See Item 9.A "Offer and Listing Details".

ITEM 9.D SELLING SHAREHOLDERS

Not applicable.

ITEM 9.E DILUTION

Not applicable.

ITEM 9.F EXPENSES OF THE ISSUE

Not applicable.

ITEM 10 ADDITIONAL INFORMATION

ITEM 10.A SHARE CAPITAL

Not applicable.

ITEM 10.B MEMORANDUM AND ARTICLES OF ASSOCIATION

Our authorized share capital consists of: (i) 1,500,000,000 class A exchangeable shares; (ii) 750,000,000 class A-1 exchangeable shares; (iii) 750,000 class B shares; (iv) 1,000,000,000 class C shares; (v) (a) 1,000,000,000 Class A Junior Preferred Shares (issuable in series), and (b) 1,000,000,000 Class B Junior Preferred Shares (issuable in series), which we refer to together with the Class A Junior Preferred Shares as the Junior Preferred Shares; and (vi) (a) 100,000,000 Class A Senior Preferred Shares (issuable in series), and (b) 100,000,000 Class B Senior Preferred Shares (issuable in series), which we refer to together with the Class A Senior Preferred Shares as the Senior Preferred Shares, and collectively with the Junior Preferred Shares, as the Preferred Shares.

As of March 23, 2026, there were 65,327,130 Class A Exchangeable Limited Voting Shares, 36,000 Class B Limited Voting Shares and 272,687,160 Class C Non-Voting Shares.

The company is an exempted company limited by shares incorporated under the laws of Bermuda and is registered with the Bermuda Registrar of Companies with registration number 56130. Subject to applicable law and the provisions of our company's memorandum of association and bye-laws, the objects of the company's business are unrestricted.

Limitations on Rights to Own Securities

Other than the Regulatory Condition (as defined herein), and subject to regulatory filings, approvals and/or consents, as required, there are no limitations on the rights to own our securities. Such regulatory notification and approval obligations apply in certain jurisdictions at certain ownership thresholds, as further described in this Form 20-F.

Class A Exchangeable Shares and Class A-1 Exchangeable Shares

The following description of class A exchangeable shares and class A-1 exchangeable shares sets forth certain general terms and provisions of the class A exchangeable shares and class A-1 exchangeable shares, as applicable. This description is in all respects subject to and qualified in its entirety by applicable law and the provisions of our company's bye-laws. Through the rights and governance structures described in this Form 20-F, each exchangeable share is intended to provide its holder with an economic return that is equivalent to that of a Brookfield Class A Share. Consequently, we expect that the market price of our class A exchangeable shares should be impacted by the market price of the Brookfield Class A Shares and the business performance of Brookfield Corporation. Except for the voting rights and the conversion rights described below, the rights, privileges, restrictions and conditions attached to the class A exchangeable shares as a class and the class A-1 exchangeable shares as a class are identical in all respects. As of the date of this Form 20-F, there are no class A-1 exchangeable shares outstanding.

Voting Rights of Class A Exchangeable Shares

Each holder of class A exchangeable shares will be entitled to receive notice of, and to attend and vote at, all meetings of our shareholders, other than meetings at which only holders of a specified class or series of shares are entitled to vote or as otherwise required by law. Except as set out below under the heading"— *Election of Director*s", and subject to the 9.9% voting restriction described in further detail below, each holder of class A exchangeable shares will be entitled to cast one vote for each class A exchangeable share held at the record date for determination of shareholders entitled to vote on any matter. Notwithstanding the foregoing, no holder of class A exchangeable shares is permitted to vote more than 9.9% of the outstanding class A exchangeable shares of our company, even if such holder's ownership exceed 9.9% of the outstanding class A exchangeable shares of our company. Instead, any class A exchangeable share held by a shareholder that exceeds the aforementioned 9.9% threshold will be deemed to carry no voting rights in the hands of such holder, and such voting will be re-allocated *pro rata* among all other holders of class A exchangeable shares based on their shareholdings. In the event that the re-allocation of voting rights would result in the creation of a new shareholder being able to vote more than 9.9% of the outstanding class A exchangeable shares of our company, such re-allocation will occur repeatedly until there is no shareholder with more than 9.9% of the voting rights.

Except as otherwise expressly provided in our bye-laws or as required by law, all matters to be approved by shareholders must be approved by: (i) a majority or, where a higher threshold is specified under applicable law, the higher percentage of the votes cast by holders of class A exchangeable shares who vote in respect of the resolution, and (ii) a majority or, where a higher threshold is specified under applicable law, the higher percentage of the votes cast by the holder of our class B shares who vote in respect of the resolution. As a result, all matters that require shareholder approval must be approved by the holder of the class B shares.

Election of Directors

In the election of directors, holders of class A exchangeable shares will be entitled to elect one-half of the Board. Our bye-laws provide that each holder of a class A exchangeable share has the right to cast a number of votes equal to the number of votes attached to the class A exchangeable shares held by the holder multiplied by the number of directors to be elected by the holder and all holders of class A exchangeable shares entitled to vote with such holder in the election of directors. A holder may cast all such votes in favor of one candidate or distribute such votes among its candidates in any manner the holder sees fit. Where a holder has voted for more than one candidate without specifying the distribution of votes among such candidates, the holder shall be deemed to have divided the holder's votes equally among the candidates for whom the holder voted.

Voting Rights of Class A-1 Exchangeable Shares

Except as otherwise required by law, each holder of class A-1 exchangeable shares shall be entitled to notice of, and to attend, any meetings of shareholders of our company (except meetings at which only holders of another specified class or series of shares are entitled to vote), but shall not be entitled to vote at any such meeting. The class A-1 exchangeable shares are non-voting to address certain insurance regulatory restrictions on ownership, but are otherwise intended to be economically equivalent in all respects to our class A exchangeable shares.

Conversion Right of Holders of Class A-1 Exchangeable Shares

Subject to applicable law and the Regulatory Condition, a holder of class A-1 exchangeable shares will be entitled, from time to time, to convert their class A-1 exchangeable shares into class A exchangeable shares on a one-for-one basis (the "**Conversion Right**"). No holder will be permitted to convert its class A-1 exchangeable shares, and our company will not authorize or effect any conversions of class A-1 exchangeable shares, unless the requesting holder has provided satisfactory evidence to our company, that either (i) it and its affiliates (as set forth in Rule 12b-2 of the Exchange Act) will not, after giving effect to the conversion, directly or indirectly, beneficially own, control or hold with the power to vote more than 9.9% of the class A exchangeable shares, or (ii) it and its affiliates (as set forth in Rule 12b-2 of the Exchange Act) have received all required regulatory approvals and consents or, if applicable, exemptions or waivers, to beneficially own, control or hold with the power to vote more than 9.9% of the class A exchangeable shares, as determined by our company acting reasonably (the "**Regulatory Condition**").

The Conversion Right will be exercisable in accordance with the share conditions, which are attached to the bye-laws. The right of conversion may be exercised, provided the Regulatory Condition is satisfied, by notice in writing given to the transfer agent (a "**Conversion Notice**"), which notice shall specify the number of class A-1 exchangeable shares that the class A-1 exchangeable shareholder desires to have converted. No Conversion Notice will be accepted during (i) the calendar month in which quarterly distributions are paid to the holders of exchangeable shares, or (ii) during the period commencing ten business days prior to the record date for any special dividend or stock distribution and up to and including on the payment date for such dividend (the "**Conversion Blackout Period**"). If a holder of class A-1 exchangeable shares holds such class A-1 exchangeable shares through a broker, such holder may contact its broker to request a conversion on such holder's behalf.

A converting holder will have no further right, with respect to any class A-1 exchangeable shares so converted, to receive any distributions on such shares with a record date on or after the date on which a Conversion Notice is given to the transfer agent (the "**Conversion Notice Date**"), without regard to the time of day on the Conversion Notice Date at which the exchange is completed. For greater certainty, a converting holder will, despite a notice of conversion being delivered, be entitled to receive any distributions on class A exchangeable shares and class A-1 exchangeable shares that have a record date prior to the Conversion Notice Date.

In accordance with the bye-laws, Brookfield, as the holder of class C shares, is entitled, from time to time, to convert any exchangeable shares held by it or its subsidiaries (whether acquired by Brookfield pursuant to an exchange of exchangeable shares or otherwise) into class C shares, which, if exercised, will cause the number of outstanding exchangeable shares to be reduced by the number of exchangeable shares converted and correspondingly increase the number of class C shares outstanding.

Distributions

The holders of exchangeable shares will be entitled to receive distributions as and when declared by our Board subject to receipt of sufficient shareholder approval (where applicable) and the prior rights of the holders of all classes and series of the Class A Senior Preferred Shares and Class B Senior Preferred Shares and any other shares ranking senior to the class A exchangeable shares or class A-1 exchangeable shares with respect to priority in payment of distributions. It is expected that each exchangeable share will receive distributions at the same time and in the same amount as the cash dividends paid on each Brookfield Class A Share.

Subject to the prior rights of holders of all classes and series of Senior Preferred Shares at the time outstanding having prior rights as to distributions, and in preference to the Junior Preferred Shares and class C shares of our company, each exchangeable share will entitle its holder to cumulative distributions per share in an amount equal to (i) the amount of any cash dividend made on a Brookfield Class A Share multiplied by (ii) the exchange factor (which initially shall be one, subject to adjustment in the event of certain dilutive or other capital events by our company or Brookfield Corporation) determined in accordance with our bye-laws and in effect on the payment date of such distribution, which we refer to as the exchangeable distribution. See Item 10.B "*Memorandum and Articles of Association — Exchange by Holder — Adjustments to Reflect Certain Capital Events*".

If the full amount of an exchangeable distribution is not paid concurrently with a dividend on the Brookfield Class A Shares, then the unpaid amount of such exchangeable distribution shall accrue and accumulate (without interest), whether or not our company has earnings, whether or not there are funds legally available for the payment thereof and whether or not such exchangeable distribution has been earned, made or authorized. Any exchangeable distribution payment made shall first be credited against the earliest accumulated but unpaid exchangeable distribution due which remains payable, which we refer to as unpaid distributions. All exchangeable distributions shall be paid prior and in preference to any dividends or distributions on the class C shares. The holders of class A exchangeable shares and class A-1 exchangeable shares shall not be entitled to any distributions from our company other than the exchangeable distributions.

The exchangeable shares may be consolidated or split in the event of, and equally with, a share consolidation or stock split of the Brookfield Class A Shares. As an alternative, stock dividends may be paid in lieu of stock splits concurrently with a stock split of the Brookfield Class A Shares. In that case, the stock dividend on the exchangeable shares will be paid in additional exchangeable shares.

Exchange by Holder

At any time before the 15th business day prior to the date of any redemption, holders of exchangeable shares shall have the right to exchange all or a portion of their exchangeable shares with Brookfield Corporation for one Brookfield Class A Share per exchangeable share held (subject to adjustment in the event of certain dilutive or other capital events by our company or Brookfield Corporation as described below under the heading "*— Adjustments to Reflect Certain Capital Events*") or its cash equivalent based on the NYSE closing price of one Brookfield Class A Share on the date that the request for exchange is received by our transfer agent (or if not a trading day, the next trading day thereafter) plus all unpaid distributions, if any (the form of payment to be determined at the sole election of Brookfield Corporation), subject to certain limitations described below if Brookfield Corporation is unable to maintain an effective registration statement. If you hold exchangeable shares through a broker, please contact your broker to request an exchange on your behalf. If you are a registered holder of exchangeable shares, please contact our transfer agent and follow the process described below.

Pursuant to the Rights Agreement between our company, Brookfield Corporation and Wilmington Trust, National Association, Brookfield Corporation has agreed it will satisfy, or cause to be satisfied, any request made pursuant to our bye-laws to exchange such exchangeable shares for Brookfield Class A Shares or its cash equivalent, plus unpaid distributions.

The obligation to satisfy a request for exchange is the obligation of Brookfield Corporation, and our company has no obligation to deliver Brookfield Class A Shares or cash, to deliver any unpaid distributions, or to cause Brookfield Corporation to do so.

Each holder of exchangeable shares who wishes to exchange one or more of his or her exchangeable shares with Brookfield Corporation for Brookfield Class A Shares or its cash equivalent is required to complete and deliver a notice of exchange in the form available from our transfer agent. Upon receipt of a notice of exchange, Brookfield Corporation shall, subject to the remarketing mechanisms described below, within ten business days after the date that the notice of exchange is received by our transfer agent, or the specified exchange date, deliver to the tendering holder of exchangeable shares, in accordance with instructions set forth in the notice of exchange, one Brookfield Class A Share per exchangeable share held (subject to adjustments in the event of certain capital events by our company or Brookfield Corporation as described below under the heading "*— Adjustments to Reflect Certain Capital Events*") or its cash equivalent based on the NYSE closing price of one Brookfield Class A Share on the date that the request for exchange is received by our transfer agent (or if not a trading day, the next trading day thereafter) plus all unpaid distributions, if any (the form of payment to be determined at the sole election of Brookfield Corporation). Notwithstanding the foregoing, for so long as there is not an effective registration statement with respect to the delivery of Brookfield Class A Shares in connection with the exchange right, Brookfield Corporation will not be able to effect exchanges for Brookfield Class A Shares and will not be required to effect exchanges for cash that would result in the payment of an amount in excess of $5,000,000 in the aggregate over any 30 consecutive calendar day period; provided that such limit will not apply for more than 90 consecutive calendar days during any 12 calendar month period. Upon completion of the exchange of any exchangeable shares as described herein, the holder of exchangeable shares who has exchanged their exchangeable shares will have no further right, with respect to any exchangeable shares so exchanged, to receive any distributions on the exchangeable shares on or after the date on which such exchangeable shares are exchanged. For greater certainty, a tendering holder will, despite a notice of exchange being delivered, be entitled to receive any distributions on the exchangeable shares that have a record date or otherwise accrued prior to the date on which such notice of exchange is received.

Subject to the limitations on exchange as described above, in the event that a tendering holder of exchangeable shares has not received the number of Brookfield Class A Shares or its cash equivalent (the form of payment to be determined by Brookfield Corporation in its sole discretion) in satisfaction of the tendered exchangeable shares on or prior to the specified exchange date, then, pursuant to the Rights Agreement, the holder of the subject exchangeable shares, or the rights agent, on behalf of the holder of the subject exchangeable shares, will have the right to institute and maintain any suit, action or proceeding against Brookfield Corporation to enforce the obligations of Brookfield Corporation to exchange our exchangeable shares for Brookfield Class A Shares (or their cash equivalent) plus unpaid distributions. The Rights Agreement is available electronically on our SEDAR+ profile at www.sedarplus.ca. For a further description of the Rights Agreement, see above under the heading "*Memorandum and Articles of Association — Rights Agreement*" and below under the heading "*Material Contracts — Rights Agreement*".

Remarketing Mechanism. In accordance with our bye-laws, Brookfield Corporation may engage an agent to remarket exchangeable shares tendered for exchange and deliver Brookfield Class A Shares under certain conditions, in which case the tendering holder's exchangeable shares would be purchased (and remain in circulation in the hands of another holder) rather than being exchanged.

No Fractional Shares. No fractional Brookfield Class A Shares will be issued or delivered upon exchange of exchangeable shares. In lieu of any fractional Brookfield Class A Shares to which the tendering holder of exchangeable shares would otherwise be entitled at Brookfield Corporation's election, Brookfield Corporation will pay an amount in cash equal to the Brookfield Class A Share value on the trading day immediately preceding the applicable specified exchange date multiplied by such fraction of a Brookfield Class A Share.

Adjustments to Reflect Certain Capital Events. The exchange factor (which initially shall be one) is subject to adjustment in accordance with our company's bye-laws to reflect certain capital events, including (i) if Brookfield Corporation declares or pays a dividend to its shareholders consisting wholly or partly of Brookfield Class A Shares or if our company declares or pays a distribution to our shareholders consisting wholly or partly of exchangeable shares, in each case, without a corresponding dividend or distribution, as applicable, being paid by the other entity; (ii) if Brookfield Corporation or our company splits, subdivides, reverse-splits or combines its outstanding Brookfield Class A Shares or exchangeable shares, as applicable, without a corresponding event occurring at the other entity; (iii) if Brookfield Corporation or our company distributes any rights, options or warrants to all or substantially all holders of its Brookfield Class A Shares or exchangeable shares to convert into, exchange for or subscribe for or to purchase or to otherwise acquire Brookfield Class A Shares or exchangeable shares (or other securities or rights convertible into, exchangeable for or exercisable for Brookfield Class A Shares or exchangeable shares), as applicable, without a corresponding distribution of comparable rights, options or warrants by the other entity; (iv) if Brookfield Corporation effects a spin-off, unless a corresponding event (or a distribution/equivalent compensation) occurs at our company in respect of the exchangeable shares; (v) if Brookfield Corporation distributes to all or substantially all holders of Brookfield Class A Shares evidences of its indebtedness or assets (including securities), or rights, options or warrants to convert into, exchange for or subscribe for or to purchase or to otherwise acquire such securities but excluding all distributions where a comparable distribution (or the cash equivalent) is made by our company; or (vi) if Brookfield Corporation or one of its subsidiaries makes a payment in respect of a tender or exchange offer for the Brookfield Class A Shares (but excluding for all purposes any exchange or tender offer to exchange Brookfield Class A Shares for exchangeable shares or any other security economically equivalent to Brookfield Class A Shares), to the extent that the cash and value of any other consideration included in the payment per Brookfield Class A Share exceeds certain thresholds.

Recirculation of Exchangeable Shares. Brookfield Corporation may, in certain circumstances as further described in our bye-laws, transfer the exchangeable shares acquired by Brookfield Corporation upon an exchange (the "**Recirculation Right**"). The Recirculation Right allows the exchangeable shares of our company that are acquired by Brookfield Corporation, following exchange to remain in circulation under certain circumstances, thereby supporting our company's efforts to enhance liquidity for our shareholders. The Recirculation Right may be exercised by Brookfield Corporation provided that prior notice of the transfer is given to our company confirming (i) the number of exchangeable shares to be transferred (the "**recirculated exchangeable shares**"), (ii) the approval by the Brookfield Corporation board of directors of the issuance of the Brookfield Class A Shares issuable on exchange of the recirculated exchangeable shares (the "**Additional Brookfield Class A Shares**"), (iii) if the exchangeable shares are then listed on any stock exchange, the approval of the stock exchange for the listing of the Additional Brookfield Class A Shares and (iv) the satisfaction by Brookfield Corporation of the securities laws applicable to the transfer (provided that this shall not be interpreted as requiring our company to register such recirculated exchangeable share).

Because the exchangeable shares remain outstanding immediately following any exchange by holders of our exchangeable shares, such exchanges do not have any impact on the company's financial statements. As described below, in accordance with the bye-laws, Brookfield, as the holder of the class C shares, is entitled, from time to time, to convert any exchangeable shares held by it or its subsidiaries (whether acquired by Brookfield pursuant to an exchange of exchangeable shares or otherwise) into class C shares. In the event that Brookfield exercises its right to convert exchangeable shares into class C shares, the number of exchangeable shares outstanding will be reduced by the number of exchangeable shares converted and there will be a corresponding increase in the number of class C shares outstanding.

Redemption

Our Board will have the right, subject to the prior written consent of Brookfield Corporation, as the sole holder, directly or indirectly, of the class C shares, and upon 60 days' prior written notice to holders of exchangeable shares, to redeem all of the then outstanding exchangeable shares at any time and for any reason, in its sole discretion and subject to applicable law, including without limitation following the occurrence of any of the following redemption events: (i) the total number of class A exchangeable shares outstanding decreases by 50% or more over any six-month period; (ii) the daily market value of the class A exchangeable shares (based on the closing price on the NYSE on each trading day) (A) is less than $250 million for more than six consecutive months or (B) decreases by 50% or more from its high over any three-month period; (iii) a person acquires 90% of the Brookfield Class A Shares in a takeover bid (as defined by applicable securities law); (iv) shareholders of Brookfield Corporation approve an acquisition of Brookfield Corporation by way of arrangement, amalgamation or similar transaction; (v) shareholders of Brookfield Corporation approve a restructuring or other reorganization of Brookfield Corporation or a liquidation, insolvency or winding-up of Brookfield Corporation is pending; (vi) there is a pending sale of all or substantially all of Brookfield Corporation's assets; (vii) there is a change of law (whether by legislative, governmental or judicial action), administrative practice or interpretation, or a change in circumstances of our company and our shareholders, that may result in adverse tax consequences for our company or our shareholders; or (viii) our Board, in its sole discretion, concludes that the holders of exchangeable shares are adversely impacted by a fact, change or other circumstance relating to our company. For greater certainty, shareholders do not have the ability to vote on such redemption and the Board's decision to redeem all of the then outstanding exchangeable shares will be final.

Upon any such redemption event, the holders of exchangeable shares shall be entitled to receive pursuant to such redemption one Brookfield Class A Share per exchangeable share held (subject to adjustment in the event of certain capital events by our company or Brookfield Corporation as described above under the heading "*— Exchange by Holder — Adjustments to Reflect Certain Capital Events*") or its cash equivalent based on the NYSE closing price of one Brookfield Class A Share on the trading day immediately preceding the announcement of such redemption plus all unpaid distributions, if any (the form of payment to be determined at the election of our company).

Notwithstanding the foregoing, upon any redemption event, Brookfield Corporation may elect to acquire all of the outstanding exchangeable shares in exchange for one Brookfield Class A Share per exchangeable share held (subject to adjustment in the event of certain capital events by our company or Brookfield Corporation as described above under the heading "*— Exchange by Holder — Adjustments to Reflect Certain Capital Events*") or its cash equivalent based on the NYSE closing price of one Brookfield Class A Share on the trading day immediately preceding the announcement of such redemption plus all unpaid distributions, if any (the form of payment to be determined at the election of Brookfield Corporation). Shareholders are not entitled to vote on Brookfield Corporation's exercise of the overriding call right described in the preceding sentences.

Liquidation

Brookfield Corporation, as the sole holder, directly or indirectly, of our class C shares, will have the right, subject to applicable law, to require our company to commence a liquidation of our company following the occurrence of certain events. See Item 10.B "*Memorandum and Articles of Association — Class C Shares — Liquidation*" for more information.

Upon any liquidation, dissolution or winding up of our company or any other distribution of our assets among our shareholders for the purpose of winding up our affairs, including whether substantially concurrent with the liquidation, dissolution or winding up of Brookfield Corporation or any other distribution of Brookfield Corporation's assets among its shareholders for the purpose of winding up its affairs, and subject to the prior rights of holders of all classes and series of Senior Preferred Shares and any other class of shares of our company ranking in priority or ratably with the exchangeable shares and after the payment in full of any unpaid distributions, the holders of exchangeable shares shall be entitled to one Brookfield Class A Share per exchangeable share held (subject to adjustment in the event of certain capital events by our company or Brookfield Corporation as described above under the heading "*— Exchange by Holder — Adjustments to Reflect Certain Capital Events*") or its cash equivalent based on the NYSE closing price of one Brookfield Class A Share on the trading day immediately preceding announcement of such liquidation, dissolution or winding up (the form of payment to be determined at the election of our company). If, upon any such liquidation, dissolution or winding up, the assets of our company are insufficient to make such payment in full, then the assets of our company will be distributed among the holders of exchangeable shares and class B shares ratably in proportion to the full amounts to which they would otherwise be respectively entitled to receive.

Notwithstanding the foregoing, upon any liquidation, dissolution or winding up of our company, Brookfield Corporation may elect to acquire all but not less than all of the outstanding exchangeable shares for one Brookfield Class A Share per exchangeable share (subject to adjustment in the event of certain capital events by our company or Brookfield Corporation as described above under the heading "*— Exchange by Holder — Adjustments to Reflect Certain Capital Events*") plus all unpaid distributions, if any. The acquisition by Brookfield Corporation of all the outstanding exchangeable shares will occur on the day prior to the effective date of the liquidation, dissolution or winding up of our company. Shareholders are not entitled to vote on Brookfield Corporation's exercise of the overriding call right described in the preceding sentences.

Book-Based System

The exchangeable shares may be represented in the form of one or more fully registered share certificates held by, or on behalf of, CDS or DTC, as applicable, as custodian of such certificates for the participants of CDS or DTC, registered in the name of CDS or DTC or their respective nominee, and registration of ownership and transfers of the exchangeable shares may be effected through the book-based system administered by CDS or DTC, as applicable.

Treatment of Exchangeable Shares in Connection with a Takeover Bid, Issuer Bid or Tender Offer

The exchangeable shares are not Brookfield Class A Shares and will not be treated as Brookfield Class A Shares for purposes of the application of applicable Canadian and U.S. rules relating to takeover bids, issuer bids and tender offers. Neither Brookfield Class A Shares, the class A exchangeable shares or the class A-1 exchangeable shares are securities of the same class. As a result, holders of exchangeable shares will not be entitled to participate in an offer or bid made to acquire Brookfield Class A Shares, unless such offer is extended to holders of class A exchangeable shares and holders of the class A-1 exchangeable shares and holders of Brookfield Class A Shares will not be entitled to participate in an offer or bid made to acquire class A exchangeable shares or class A-1 exchangeable shares, unless such offer is extended to holders of Brookfield Class A Shares. In the event of a takeover bid for Brookfield Class A Shares, a holder of exchangeable shares who would like to participate would be required to first tender his or her exchangeable shares for exchange, in order to receive a Brookfield Class A Share, or the cash equivalent, at the election of Brookfield Corporation, pursuant to the exchange right. If an issuer tender offer or issuer bid is made for the Brookfield Class A Shares at a price in excess of the market price of the Brookfield Class A Shares and a comparable offer is not made for the exchangeable shares, then the exchange factor for the exchangeable shares may be adjusted. See above under the heading "— *Exchange by Holder — Adjustments to Reflect Certain Capital Events*" for more information on the circumstances in which adjustments may be made to the exchange factor.

Choice of Forum for Bermuda Act and U.S. Securities Act Claims

Pursuant to our bye-laws, unless we consent in writing to the selection of an alternative forum (and our company will always provide such consent with respect to the Superior Court of Justice of the Province of Ontario, Canada and appellate Courts thereof), the Supreme Court of Bermuda shall, to the fullest extent permitted by law, be the sole and exclusive forum for any dispute that arises concerning the Bermuda Act or out of or in connection with our bye-laws, including any question regarding the existence and scope of our bye-laws and/or whether there has been any breach of the Bermuda Act or our bye-laws by an officer or director (i.e., the Bermuda Forum Provision). The Bermuda Forum Provision will not apply to any causes of action arising under the U.S. Securities Act or the U.S. Exchange Act. In addition, our bye-laws further provide that unless we consent in writing to the selection of an alternative forum, the federal courts of the United States shall be the sole and exclusive forum for resolving any complaint filed in the United States asserting a cause of action arising under the U.S. Securities Act (i.e., the U.S. Federal Forum Provision). Our bye-laws provide that any person or entity purchasing or otherwise acquiring any interest in our exchangeable shares is deemed to have notice of and consented to the Bermuda Forum Provision and the U.S. Federal Forum Provision; provided, however, that shareholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder. The Bermuda Forum Provision and the U.S. Federal Forum Provision in our bye-laws may impose additional litigation costs on shareholders in pursuing any such claims. Additionally, the forum selection clauses in our bye-laws may limit our shareholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our shareholders. See Item 3.D "*Risk Factors — Risks Relating to the Exchangeable Shares — Our bye-laws designate specific courts in Bermuda as the exclusive forum for certain litigation that may be initiated by our shareholders, which could limit our shareholders' ability to obtain a desired judicial forum for disputes with us*."

Class B Shares

The following description of class B shares sets forth certain general terms and provisions of class B shares. This description is in all respects subject to and qualified in its entirety by reference to applicable law and the provisions of our company's bye-laws. All of the outstanding class B shares are held by the BNT Trust.

Voting

Each holder of class B shares will be entitled to receive notice of, and to attend and vote at, all meetings of our shareholders, other than meetings at which only holders of a specified class or series of shares are entitled to vote or as otherwise required by law. Each holder of class B shares will be entitled to cast one vote for each class B share held at the record date for determination of shareholders entitled to vote on any matter.

Except as set out below under the heading "— *Election of Directors*", or as otherwise expressly provided in our bye-laws or as required by law, all matters to be approved by shareholders must be approved by: (i) a majority or, where a higher threshold is specified under applicable law, the higher percentage of the votes cast by holders of class B shares who vote in respect of the resolution, and (ii) a majority or, where a higher threshold is specified under applicable law, the higher percentage of the votes cast by holders of class A exchangeable shares who vote in respect of the resolution.

Election of Directors

In the election of directors, holders of class B shares will be entitled to elect one-half of the board. Our bye-laws provide that each holder of a class B share has the right to cast a number of votes equal to the number of votes attached to the class B shares held by the holder multiplied by the number of directors to be elected by the holder and all holders of class B shares entitled to vote with such holder in the election of directors. A holder may cast all such votes in favor of one candidate or distribute such votes among its candidates in any manner the holder sees fit. Where a holder has voted for more than one candidate without specifying the distribution of votes among such candidates, the holder shall be deemed to have divided the holder's votes equally among the candidates for whom the holder voted.

Distributions

The holders of class B shares will be entitled to the same distributions as the exchangeable shares as described above, and the class B shares rank *pari passu* with the exchangeable shares with respect to the payment of distributions (if, as and when made by our Board). In the event a distribution is paid on the exchangeable shares, the Board shall, subject to applicable law, contemporaneously pay an equivalent distribution on the class B shares.

Liquidation

Upon a liquidation, dissolution or winding-up of our company, holders of class B shares will be entitled to the same rights as holders of exchangeable shares described above and rank on parity with the exchangeable shares.

Restrictions on Transfer

The class B shares may only be held by the BNT Trust, a company controlled by one or more of the Partners or Brookfield. However, Brookfield does not currently have any intention to hold any class B shares.

Class C Shares

The following description of class C shares sets forth certain general terms and provisions of class C shares. This description is in all respects subject to and qualified in its entirety by reference to applicable law and the provisions of our company's memorandum of association or bye-laws. All of the outstanding class C shares are held directly or indirectly by Brookfield Corporation.

Voting

Except as described below or as required by law, the holder of the class C shares shall be entitled to notice of, and to attend, any meetings of shareholders of our company, but shall not otherwise be entitled to vote at any such meetings. Under our memorandum of association and bye-laws, the holder of the class C shares will be entitled to consent to (a) any redemption of the class A exchangeable shares by our company; (b) any amendment to our memorandum of association or bye-laws, including, for greater certainty, the terms attached to the class A exchangeable shares, class A-1 exchangeable shares, the class B shares or any other shares ranking senior to the class C shares; (c) any merger or similar reorganization of our company (including a sale of all or substantially all of its assets); (d) a continuance to another jurisdiction of incorporation; or (e) the commencement of a voluntarily liquidation of our company.

Distributions

The holder of class C shares will be entitled to receive distributions as and when declared by our Board subject to the prior rights of the holders of all classes and series of the Preferred Shares, class A exchangeable shares, class A-1 exchangeable shares, class B shares, and any other shares ranking senior to the class C shares with respect to priority in payment of distributions. The holder of our class C shares will be entitled to receive distributions if, as and when declared or authorized. Our Board has adopted a policy that, to the extent the Company pays any distributions on the class C shares, such distributions on the class C shares may be paid quarterly in an amount equal to our company's Distributable Operating Earnings per class C share after payment of distributions on the class A exchangeable shares, class A-1 exchangeable shares, class B shares and any other shares ranking senior to the class C shares and after reasonable provision for any other applicable obligations and commitments. For the years ended December 31, 2025, 2024 and 2023, our company has not paid any distributions to the holder of class C shares. For further information on Distributable Operating Earnings (including a reconciliation), see Item 5.A "*Operating Results—Non-GAAP Measures*".

The class C shares will not be consolidated or split in the event of, and equally with, a share consolidation or stock split of the Brookfield Class A Shares unless the holder of class C shares agrees to such split or consolidation.

Liquidation

The holder of class C shares will have the right, subject to applicable law, to resolve that our company commence a voluntary liquidation of our company following the occurrence of any of the following events: (i) the total number of class A exchangeable shares outstanding decreases by 50% or more over any six-month period; (ii) the daily market value of the class A exchangeable shares (based on the closing price on each trading day) (A) is less than $250 million for more than six consecutive months or (B) decreases by 50% or more from its high over any three-month period; (iii) a person acquires 90% of the Brookfield Class A Shares in a takeover bid (as defined by applicable securities law); (iv) the shareholders of Brookfield Corporation approve a sale of all or substantially all of the assets of Brookfield Corporation or an acquisition of Brookfield Corporation by way of arrangement, amalgamation or similar transaction; (v) the shareholders of Brookfield Corporation approve a restructuring or other reorganization of Brookfield Corporation or the liquidation, dissolution or winding up of Brookfield Corporation, or any other distribution of Brookfield Corporation's assets among its shareholders for the purpose of winding up its affairs, is pending; (vi) there is a change of law (whether by legislative, governmental or judicial action), administrative practice or interpretation, or a change in circumstances of our company and our shareholders, that may result in adverse tax consequences for our company or our shareholders; (vii) the holder, in good faith, concludes that it is materially adversely impacted by an external fact unrelated to our company, a change, or other circumstance relating to our company or Brookfield that was not known to it on the effective date of the special dividend; or (viii) on any day during the months of January and June commencing in 2022 and every year thereafter, more than 20% of the total number of the class A exchangeable shares outstanding are controlled by one person or group of persons acting jointly or in concert within the meaning of applicable securities laws; provided that, in the case of all circumstances other than (ii), the circumstance cannot be cured within a period of 30 days. The foregoing right will only be exercisable following the expiration of such cure period (or in the case of (ii), following the occurrence of the event) and shall expire (A) in the case of all circumstances other than (viii), on the 90th day thereafter, (B) in the case of (viii), on the 60th day thereafter, and (C) in the case of (viii), the right will only be exercisable in the event that more than 20% of the total number of class A exchangeable shares outstanding are controlled by one person or group of persons acting jointly and in concert within the meaning of applicable securities laws at the time such right is exercised. For greater certainty, no consent or resolution of the class A exchangeable shares, class B shares, or any other class of shares will be required in connection with the commencement of such liquidation by the holder of the class C shares.

Any liquidation of our company pursuant to the foregoing will be subject to no less than 60 days' prior written notice of the date of liquidation being provided to holders of class A exchangeable shares.

Upon any liquidation, dissolution or winding up of our company, subject to the prior rights of holders of Preferred Shares and after the payment in full of the amount due to the holders of class A exchangeable shares, class A-1 exchangeable shares and class B shares described above under the heading "*Memorandum and Articles of Association — Class A Exchangeable Shares and Class A-1 Exchangeable Shares and Class B Shares — Liquidation*", the remaining assets and property of our company will be distributed among the holders of class C shares.

Conversion of Tendered Exchangeable Shares

Subject to applicable law, the holder of class C shares will be entitled, from time to time, to convert any exchangeable shares held by it or its subsidiaries into class C shares. The number of class C shares (which may include a fraction of a class C share) that will be received on conversion of any exchangeable share will be equal to the number obtained by dividing the fair market value of a class A exchangeable share or class A-1 exchangeable shares, as applicable, by the fair market value of a class C share, in each case as determined by the board, which we refer to as the conversion number. If the conversion number from time to time is not equal to one, then the conversion will include any necessary subdivision or consolidation necessary to convert the class A exchangeable shares in the conversion number of class C shares.

Restrictions on Transfer

The class C shares may only be transferred within Brookfield.

Preferred Shares

The following description of Preferred Shares sets forth certain general terms and provisions of Senior Preferred Shares and the Junior Preferred Shares. This description is in all respects subject to and qualified in its entirety by reference to applicable law and the provisions of our memorandum of association or bye-laws.

Priority

Each series of Senior Preferred Shares rank on a parity with every other series of Senior Preferred Shares with respect to distributions, and each series of Junior Preferred Shares rank on a parity with every other series of Junior Preferred Shares with respect to distributions.

The Senior Preferred Shares shall be entitled to a preference over the Junior Preferred Shares, the class A exchangeable shares, class A-1 exchangeable shares, the class B shares, the class C shares and any other shares ranking junior to the Senior Preferred Shares with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of our company, whether voluntary or involuntary, or any other distribution of the assets of our company among our shareholders for the specific purpose of winding up our affairs.

So long as any Senior Preferred Shares are outstanding, our company will not, without the approval of the holder(s) of the Senior Preferred Shares make, pay or set apart for payment any distributions on any class A exchangeable shares, class A-1 exchangeable shares, class B shares, class C shares or Junior Preferred Shares or any other shares ranking behind the Senior Preferred Shares, or purchase or otherwise retire for value any such junior-ranking shares, unless in each case, all distributions on the Senior Preferred Shares and any other shares of our company ranking as to dividends prior to or on a parity with the Senior Preferred Shares are current and our company is not otherwise in default under the rights, privileges, restrictions and conditions attached to the Senior Preferred Shares and any other shares of our company ranking as to distributions prior to or on a parity with the Senior Preferred Shares.

The Junior Preferred Shares shall be entitled to a preference over the class C shares, and after the Senior Preferred Shares, the class A exchangeable shares, class A-1 exchangeable shares, the class B shares, and any other senior-ranking shares outstanding from time to time, with respect to priority in payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of our company, whether voluntary or involuntary, or any other distribution of the assets of our company among our shareholders for the specific purpose of winding up our affairs.

Directors' Right to Issue in One or More Series

The Preferred Shares may be issued at any time and from time to time in one or more series. Before any shares of a series are issued, our Board shall fix the number of shares that will form such series, if any, and shall, subject to any limitations set out in our memorandum of association or bye-laws or in applicable law, determine the designation, rights, privileges, restrictions and conditions to be attached to the Preferred Shares as the case may be, of such series.

Voting

Except as hereinafter referred to or as required by law or as specified in the rights, privileges, restrictions and conditions attached from time to time to any series of Preferred Shares, the holders of such Preferred Shares as a class shall not be entitled as such to receive notice of, to attend or to vote at any meeting of our shareholders.

Amendment with Approval of Holder of Preferred Shares

The rights, privileges, restrictions and conditions attached to the Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of such class of Preferred Shares given as hereinafter specified and subject to applicable law.

Approval of Holders of Preferred Shares

The approval of the holders of a class of Preferred Shares to add to, change or remove any right, privilege, restriction or condition attaching to such class of Preferred Shares as a class or in respect of any other matter requiring the consent of the holders of such class of Preferred Shares may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution signed by all the holders of such class of Preferred Shares or passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of the holders of such class of Preferred Shares duly called for that purpose.

The formalities to be observed with respect to the giving of notice of any such meeting or any adjourned meeting, the quorum required therefor and the conduct thereof shall be those from time to time required by applicable law as in force at the time of the meeting and those, if any, prescribed by our memorandum of association or bye-laws with respect to meetings of shareholders. On every poll taken at every meeting of the holders of a class of Preferred Shares as a class, or at any joint meeting of the holders of two or more series of a class of Preferred Shares, each holder of such class of Preferred Shares entitled to vote thereat shall have one vote in respect of each such Preferred Share held.

Rights Agreement

Brookfield Corporation and our company have entered into the Rights Agreement with the rights agent pursuant to which Brookfield Corporation has agreed that Brookfield Corporation will satisfy, or will cause to be satisfied, the obligations pursuant to our bye-laws to exchange our exchangeable shares for Brookfield Class A Shares (or their cash equivalent) plus unpaid distributions. The Rights Agreement is available electronically on EDGAR on the SEC's website at www.sec.gov or on SEDAR+ at www.sedarplus.ca.

The Rights Agent and the Exchange Right

Pursuant to and subject to the terms and conditions set forth in our bye-laws and the Rights Agreement, holders of exchangeable shares may request to exchange all or a portion of their exchangeable shares with Brookfield Corporation for one Brookfield Class A Share per exchangeable share held (subject to adjustment to reflect certain capital events and certain other payment obligations in the case of a liquidation, dissolution or winding up of our company) or its cash equivalent (the form of payment to be determined at the election of Brookfield Corporation) plus unpaid distributions, if any. See above under the heading "*Memorandum and Articles of Association — Exchange by Holder*".

Upon receipt of a notice of exchange, Brookfield Corporation will, within ten business days after the date that the notice of exchange is received by our transfer agent, which we refer to as the specified exchange date, deliver or cause to be delivered to the tendering holder of exchangeable shares, such Brookfield Class A Shares or the cash amount. Pursuant to the Rights Agreement, Brookfield Corporation has agreed that Brookfield Corporation will satisfy, or cause to be satisfied, the obligations pursuant to our bye-laws to exchange such subject exchangeable shares for Brookfield Class A Shares (or the cash amount) plus unpaid distributions.

However, for so long as there is not an effective registration statement with respect to the delivery of Brookfield Class A Shares in connection with the exchange right, Brookfield Corporation will not be able to effect exchanges for Brookfield Class A Shares and will not be required to effect exchanges for cash that would result in the payment of an amount in excess of $5,000,000 in the aggregate over any 30 consecutive calendar day period; provided that such limit will not apply for more than 90 consecutive calendar days during any 12 calendar month period. **As a result, in these circumstances, holders of exchangeable shares may experience a delay in receiving cash on exercise of the exchange right.**

The exchange right is a part of the terms of the exchangeable shares and may not be evidenced, transferred or assigned separate or apart from the exchangeable shares.

Satisfaction of Exchange Right

Our bye-laws provide that our company is required to deliver a notice, which we refer to as a company notice, to the rights agent and Brookfield Corporation on receipt of any notice of exchange. The company notice must set forth the identity of the tendering holder of exchangeable shares, the share amount and the cash amount for such subject exchangeable shares and any necessary wire transfer or other delivery instructions. The Rights Agreement provides that, following receipt of the company notice, Brookfield Corporation will deliver, or caused to be delivered, on or prior to the applicable specified exchange date with respect to any tendered exchangeable shares, the share amount or the cash amount.

Subject to the limitations described above, if Brookfield Corporation has failed to deliver, or failed to cause to be delivered, the share amount or cash amount on or prior to the specified exchange date, the holder of the subject exchangeable shares or the rights agent, on behalf of the holder of the subject exchangeable shares, without the consent of any holder of exchangeable shares, shall have the right pursuant to the Rights Agreement to institute and maintain any suit, action or proceeding against Brookfield Corporation in any court of competent jurisdiction to enforce, or otherwise act in respect of, the obligations of Brookfield Corporation to exchange our exchangeable shares for Brookfield Class A Shares (or their cash equivalent) plus unpaid distributions. The rights agent may engage one or more co-agents in connection with instituting or maintaining any such action.

Receipt of Subject Exchangeable Shares; Withholding

Holders of subject exchangeable shares will deliver such exchangeable shares free and clear of all liens, claims and encumbrances, and should any such liens, claims and encumbrances exist with respect to such subject exchangeable shares, the holder of such subject exchangeable shares will not be entitled to exercise its exchange rights with respect to such shares. Each holder of subject exchangeable shares will pay to Brookfield Corporation the amount of any tax withholding due upon the exchange of such shares and, in the event Brookfield Corporation elects to acquire some or all of the subject exchangeable shares in exchange for the cash amount, will authorize Brookfield Corporation to retain a portion of the cash amount to satisfy tax withholding obligations. If Brookfield Corporation elects to acquire some or all of the subject exchangeable shares in exchange for the share amount, Brookfield Corporation may elect to either satisfy the amount of any tax withholding by retaining Brookfield Class A Shares with a fair market value equal to the amount of such obligation, or satisfy such tax withholding obligation using amounts paid by Brookfield Corporation, which amounts will be treated as a loan by Brookfield Corporation to the holder of the subject exchangeable shares, in each case, unless the holder, at the holder's election, has made arrangements to pay the amount of any such tax withholding.

Brookfield Class A Shares Record Date

Each former holder of subject exchangeable shares who receives the share amount will be deemed to have become the owner of the Brookfield Class A Shares as of the date upon which such subject exchangeable shares are duly surrendered.

Termination or Amendment

The Rights Agreement has a perpetual term and will terminate automatically on the earlier of such time as (i) no exchangeable shares (or securities or rights convertible into or exchangeable for or carrying rights to acquire exchangeable shares) are held by any person other than Brookfield or (ii) an amendment to the terms of the exchangeable shares that eliminates the right of the holders to exchange the exchangeable shares for Brookfield Class A Shares or its cash equivalent (plus unpaid distributions).

Brookfield Corporation may not materially amend, modify, or alter the Rights Agreement or repeal, terminate or waive any rights under the Rights Agreement, without approval by (a) the holders of the exchangeable shares not held by Brookfield and the holders of the class B shares, each voting as a class (with an approval threshold of a majority of the votes cast by each class) and (b) the board of directors of Brookfield Corporation.

Comparison of the Rights of Holders of Exchangeable Shares and Brookfield Class A Shares

The rights of holders of Brookfield Class A Shares are governed by the OBCA and Brookfield Corporation's articles of amalgamation and by-laws. The rights of holders of the exchangeable shares are governed by Bermuda law, its memorandum of association and bye-laws.

The following comparison is a summary of certain material differences between the rights of holders of exchangeable shares and holders of the Brookfield Class A Shares under the governing documents of our company and Brookfield Corporation, respectively, and the applicable laws noted above. The following summary is qualified in its entirety by reference to the relevant provisions of (i) the Bermuda Act, (ii) the OBCA, (iii) our company's memorandum of association and bye-laws, and (iv) the articles and by-laws of Brookfield Corporation.

This section does not include a complete description of all of the differences between the rights of holders of exchangeable shares and holders of the Brookfield Class A Shares, nor does it include a complete description of the specific rights of such holders. Furthermore, the identification of some of the differences in the rights of such holders is not intended to indicate that other differences that may be equally important do not exist. You are urged to read carefully the relevant provisions of Bermuda law and Ontario law, as well as the governing documents of each of our company and Brookfield Corporation, each as amended, restated, supplemented or otherwise modified from time to time, copies of which are available, without charge, to any person and are available on the SEC website at www.sec.gov or on SEDAR+ at www.sedarplus.ca.

Charter Documents

Under the OBCA, a corporation's charter documents consist of "articles of incorporation", which set forth the name of the corporation and the amount and type of authorized capital, and the "by-laws", which govern the management of the corporation.

Under the Bermuda Act, the charter documents consist of a "memorandum of association", which sets forth, among other things, the name of the company and the amount and type of authorized share capital, and "bye-laws", which govern the management of the company.

Shareholder Resolution Approvals

Under the OBCA, the vote of shareholders required to pass a resolution is typically a majority or two-thirds of the votes cast on the resolution, depending upon the action being voted upon. A "special resolution" is a resolution passed by not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution, or that is signed by all the shareholders entitled to vote on that resolution. Matters requiring approval by special resolution include most amendments to the articles, approval of an amalgamation agreement, authorizing continuance in another jurisdiction, authorizing the sale, lease or exchange of all or substantially all of the corporation's assets except in the ordinary course of business, authorizing the voluntary liquidation and dissolution of the corporation, authorizing a reduction of stated capital in certain cases, and authorizing approval of additions to the stated capital. Matters requiring approval by a majority of the votes cast include confirmation, rejection or amendment of by-laws, and removal of directors. Only a single vote in favor is required to vote for the election of directors or auditors in an uncontested situation (but subject to the terms of any majority voting policy in respect of director elections).

Under the Bermuda Act, in addition to the election of directors, the approval of the shareholders of a company is required for, among other things, the following matters: (i) discontinuance of a company out of Bermuda to another jurisdiction; (ii) appointment of the auditor; (iii) alteration of the memorandum of association and bye-laws; (iv) an increase or reduction of capital; (v) removal of directors; and (vi) voluntary winding up or dissolution. Generally, the vote of shareholders required to pass resolutions approving matters is a simple majority of votes cast at a meeting (or such other percentage vote as is specified in the bye-laws). However, a narrow set of other matters require higher majorities under the Bermuda Act including loans to directors and statutory schemes of arrangements. Further, there are circumstances under the Bermuda Act where shareholders are permitted to vote, whether or not their shares carry the right to vote, such as the alteration of the rights attached to their class of shares, amalgamations or mergers.

Our company's bye-laws provide that any alteration of its memorandum of association and bye-laws, including any variation in the terms attached to any class of shares, or an amalgamation or merger (other than with a wholly-owned subsidiary) is subject to the approval by a majority of the votes cast on the resolution (instead of two-thirds as would generally be required under the OBCA). Our bye-laws further provide that, Brookfield Corporation, as the sole holder of our class C shares, is entitled to consent to resolutions relating to a number of fundamental matters and will have the right, subject to applicable law, to require us to commence a members' voluntary liquidation of our company following the occurrence of certain events. For greater certainty, no consent or resolution of the exchangeable shares, class B shares, or any other class of shares will be required in connection with the commencement of such members' voluntary liquidation by the holder of the class C shares.

Under our company's bye-laws, in addition to the approval by the Board, and consistent with Brookfield Corporation, any matter requiring the approval of holders of shares (excluding those matters that only require approval of our company's class C shareholder) must be approved by a majority or, where a higher threshold is specified under applicable law, the higher percentage of the votes cast by holders of the exchangeable shares who vote in respect of the resolution; and by a majority or, where a higher threshold is specified under applicable law, the higher percentage of the votes cast by holders of class B shares who vote in respect of the resolution.

Further, like Brookfield Corporation, with respect to the election of directors, our company's bye-laws provide for cumulative voting and our company has adopted a majority voting policy consistent with TSX requirements. See below under the heading "— *Cumulative Voting*".

Annulment of Amendments to Charter Documents

Under Bermuda law, the holders of an aggregate of not less than 20% in par value of a company's issued share capital or any class thereof have the right to apply to the Bermuda courts for an annulment of any amendment to the memorandum of association adopted by shareholders at any general meeting. Upon such application, the alteration may only take effect when, and insofar as, it is confirmed by the Bermuda court. The Bermuda court may annul or confirm the amendment in question, either wholly or in part, and on such terms and conditions as it thinks fit. An application for an annulment of an amendment to the memorandum of association must be made within 21 days after the date on which the resolution altering the company's memorandum of association is passed and may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No such application may be made by shareholders voting in favor of the amendment or those who have given the company a statement recognizing receipt of notice and consenting to the amendment in writing. Furthermore, no application may be made in respect of an amendment that alters or reduces a company's share capital.

Shareholder Rights to Requisition Meetings

The OBCA permits the holders of not less than 5% of the issued shares of a corporation that carry the right to vote to require the directors to call and hold a meeting of the shareholders of the corporation for the purposes stated in the requisition. Subject to certain exceptions, if the directors fail to provide notice of a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

Under the Bermuda Act, holders of not less than one-tenth of the paid-up capital of the company that carry the right to vote can require the directors to convene a special general meeting of the company for the purposes stated in the requisition. If the directors do not within 21 days of the date of deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene the meeting, but any meeting so convened shall not be held after the expiration of three months.

Shareholder Proposals

Under the OBCA, a registered or beneficial shareholder entitled to vote at a meeting of shareholders may submit a notice of any proposal to be raised at the meeting. If the corporation solicits proxies in connection with the meeting, the corporation shall set out the proposal in the management information circular for the meeting; provided that, among other things: (i) it is submitted at least 60 days before the anniversary of the date of the previous annual meeting, or, if the matter is proposed to be raised at a meeting other than the annual meeting, the date of a meeting other than the annual meeting; (ii) it has not been submitted in the last five years and did not obtain the required level of support; (iii) the person submitting the proposal is the registered or beneficial owner of shares that are entitled to be voted at a meeting of shareholders; and (iv) the right to submit a proposal is not being abused to enforce a personal claim or redress a personal grievance against the corporation or its directors, officers or securityholders. A proposal may include nominations for the election of directors if it is signed by holders of not less than 5% of the shares or 5% of the shares of a class or series of shares of the corporation entitled to vote at the meeting.

As noted above, under the Bermuda Act, shareholders holding not less than one-tenth of the paid-up capital of the company carrying the right of voting at general meetings of the company may requisition a special meeting of shareholders. In addition, a company must give to its shareholders entitled to receive notice of the next annual general meeting notice of any resolutions which may be moved at that meeting (including the removal and appointment of directors), and must circulate to shareholders entitled to have notice of any general meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. The number of shareholders necessary for this latter requisition is either: (i) any number of registered shareholders representing not less than one-twentieth (or 5%) of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates, or (ii) not less than one hundred shareholders.

Shareholder Action by Written Consent

Under the OBCA, a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders.

Under the Bermuda Act and our bye-laws, any action that may be taken by the shareholders at a meeting may also be taken by a resolution of shareholders consented to in writing. Such a written resolution may be validly passed, if consented to in writing by shareholders holding shares to which are attached such majority of the votes as would be required if the resolution had been voted on at a meeting of the shareholders.

Inspection Rights

Under the OBCA, a shareholder of a corporation and the shareholder's agents and legal representatives have the right to inspect copies of the following during the usual business hours of the corporation, free of charge: (i) the articles and the by-laws and all amendments thereto, and a copy of any unanimous shareholder agreement known to the directors; (ii) minutes of meetings and resolutions of shareholders; (iii) a register of directors which sets out the names and residence addresses, while directors, including the street and number, if any, of all persons who are or have been directors of the corporation with the dates on which each became or ceased to be a director; (iv) a securities register; and (v) a register of ownership interests in land in Ontario. A shareholder has the right to obtain, free of charge, one copy of the articles, by-laws and unanimous shareholders' agreement of a corporation, including amendments. Applicants who are shareholders of an OBCA corporation, their agents and legal representatives and, where the corporation is an offering corporation, any other person, may require the corporation to furnish a registered shareholder list to the applicant upon payment of a reasonable fee and delivery of a statutory declaration as to the name and address of the applicant and to the effect that such list will not be used except in connection with an effort to influence voting by shareholders of the corporation, an offer to acquire shares of the corporation or any other matter relating to the affairs of the corporation. In addition, under the OBCA, a security holder of a corporation may apply to the Superior Court of Justice of Ontario for an order directing that an investigation be made of a corporation or of any affiliated corporation.

Under the Bermuda Act, a shareholder of a company may request in writing to inspect during normal business hours the share register and the register of directors and officers of the company, minutes of general shareholder meetings of the company and to receive copies of the same. Upon refusal of the request, the shareholder may apply to the Supreme Court of Bermuda for an order allowing inspection. The share register and register of directors and officers are open for inspection by members of the public. As provided under the Bermuda Act, a company may keep one or more overseas or branch registers in any place which may also be open for inspection by members of the public. The Bermuda Act provides that any member of the public may request a copy of the company's shareholder register, or of any part thereof, on payment of a prescribed nominal fee.

Dividends and Repurchases of Shares

Under the OBCA, the directors may declare, and the corporation may pay a dividend by issuing fully paid shares of the corporation and, subject to the solvency test described in the following sentence, a corporation may pay a dividend in money or property. The directors are prohibited from declaring and the corporation is prohibited from paying a dividend if there are reasonable grounds for believing that the corporation is or, after the payment would be, unable to pay its liabilities as they become due, or if the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes. The OBCA also permits a corporation, subject to its articles, to purchase or otherwise acquire any of its issued shares, provided that no payment to purchase or otherwise acquire shares issued by it may be made unless the solvency test described above is satisfied at the time of, and after, such payment. Shares repurchased by an OBCA corporation are generally cancelled.

Under the Bermuda Act, subject to any limitations or provisions to the contrary in the memorandum of association and bye-laws of a company, a company may, by resolution of directors, declare and pay dividends in money, shares or other property. A company must not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that the company is, or would after the payment be, unable to pay its liabilities as they become due or the realizable value of the company's assets would thereby be less than its liabilities.

Under the OBCA, a corporation may, subject to its articles and to the solvency test mentioned below, purchase or redeem any redeemable shares issued by it at prices not exceeding the redemption price thereof stated in the articles or calculated according to a formula stated in the articles. However, a corporation may not make any payment to purchase or redeem any redeemable shares issued by it if there are reasonable grounds for believing that the corporation is or, after the payment, would be unable to pay its liabilities as they become due, or after the payment, the realizable value of the corporation's assets would be less than the aggregate of its liabilities and the amount that would be required to pay the holders of shares who have a right to be paid, on a redemption or in a liquidation, ratably with or before the holders of the shares to be purchased or redeemed, to the extent that the amount has not been included in its liabilities.

Under the Bermuda Act, a company may only redeem its shares if permitted to do so by its memorandum of association and bye-laws, and if a solvency test similar to the test applicable under the OBCA is satisfied.

Authority to Issue Shares

The OBCA requires that any maximum number of shares which a corporation has the authority to issue be specified in its articles. Brookfield Corporation is currently authorized to issue an unlimited number of Brookfield Class A Shares and preference shares, and 85,120 Brookfield Class B Shares.

The Bermuda Act requires that the amount of shares that a company has authority to issue must be stated and specified in its memorandum of association. Under our bye-laws, and following the BWS Stock Split, we are authorized to issue 1,500,000,000 class A exchangeable shares, 750,000,000 class A-1 exchangeable shares, 750,000 class B shares, 1,000,000,000 class C shares, 1,000,000,000 Class A Junior Preferred Shares (issuable in series), 1,000,000,000 Class B Junior Preferred Shares (issuable in series), 100,000,000 Class A Senior Preferred Shares (issuable in series), and 100,000,000 Class B Senior Preferred Shares (issuable in series).

Our bye-laws provide that, for as long the exchangeable shares are listed on the TSX or the NYSE, exchangeable shares issued shall be non-assessable and shall not be issued until the consideration for the share is fully paid in money or in property (the issuance of promissory notes is not sufficient) or past services that are not less in value than the fair equivalent of the money that would have been received if the share had been issued for money.

Director Qualifications

The board of directors of an OBCA corporation that is an offering corporation whose shares are held by more than one person must consist of at least three individuals, at least one-third of whom are not officers or employees of the corporation or its affiliates.

Under Bermuda law, the affairs of a company must be managed by at least one director (or at least two directors in the case of a regulated entity). Subject to any provision in the bye-laws, there is no requirement for a company to have executive directors, and a director can be of any nationality and be resident in any jurisdiction. A Bermuda company must have at least one Bermuda resident statutory officer who may be a director, secretary or resident representative.

Brookfield Corporation's articles provide that the number of directors must be 16.

Our company's bye-laws provide that the Board is set at a minimum of four members and a maximum of sixteen members or such number in excess thereof as the shareholders may determine, with (i) at least two directors being local residents of Bermuda, (ii) no more than three directors being resident in any one other country (aside from Bermuda), (iii) no more than two directors elected by holders of class A exchangeable shares being resident in any one other country (aside from Bermuda), and (iv) no more than two directors elected by holders of class B shares being resident in any one other country (aside from Bermuda), provided that the Board may, at its discretion, increase or decrease the residency requirements. In addition, our company's bye-laws provide that, with respect to the directors elected by holders of class A exchangeable shares, no director or employee of Brookfield Corporation will be eligible to serve. Our company's bye-laws may be amended to change the number of directors with the approval of a majority of the votes cast by holders of class A exchangeable shares and a majority of the votes cast by the class B shares, in each case who vote in respect of the amendment.

Term of the Board

Where the articles or a unanimous shareholder agreement of a corporation so provide, the OBCA permits, but does not require, that directors may be elected at a meeting of shareholders for different terms of up to three years. The Bermuda Act does not require that the directors elected at a meeting of shareholders be elected for different terms; however, in the absence of such determination by the shareholders, directors shall serve until the termination of the next annual general meeting following their appointment. In addition, the bye-laws of the company can provide for different terms.

Under our company's bye-laws, similar to Brookfield Corporation, no director term limits have been fixed. In addition, a majority voting policy consistent with TSX requirements has been adopted. For further information see Item 6.C "*Board Practices — Term Limits and Board Renewal*" for policy on mandatory retirement, term limits, or other Board turnover mechanisms.

Removal of Directors

Under the OBCA, other than where cumulative voting applies for the election of directors and subject to a unanimous shareholder agreement, the shareholders of a corporation may by ordinary resolution at an annual or special meeting remove any director or directors from office. An ordinary resolution under the OBCA requires the resolution to be passed, with or without amendment, at the meeting by at least a majority of the votes cast. The OBCA further provides that where the holders of any class or series of shares of a corporation have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

Under Bermuda law, subject to a company's bye-laws, the shareholders of a company may, at a special general meeting called for that purpose, remove any director provided that the notice of the meeting is served on the director or directors concerned not less than 14 days before such meeting. Like the OBCA, if holders of a class or series of shares have the exclusive right to elect or appoint one or more directors, a director so elected or appointed may only be removed by an affirmative vote of the shareholders of that class or series. Any director given notice of removal will be entitled to be heard at the special general meeting. A vacancy created by the removal of a director at a special general meeting may be filled at that meeting by the election of another director in his or her place or in the absence of any such election by the other directors.

Our company's bye-laws provide that any director may be removed as follows: (a) with respect to the directors elected by holders of the class A exchangeable shares, an affirmative vote of holders of class A exchangeable shares holding a majority of the issued and outstanding class A exchangeable shares entitled to vote at a special general meeting convened and properly held or conferring the right to vote on a resolution to remove a director; (b) with respect to the directors elected by the holders of class B shares, an affirmative vote of class B shareholders holding a majority of the issued and outstanding class B shares entitled to vote at a special general meeting convened and properly held or conferring the right to vote on a resolution to remove a director; provided, that the notice of any such meeting convened for the purpose of removing a director must contain a statement of the intention to remove the director and be served on the director not less than 14 days before the meeting, and that the director shall be entitled to be heard at the meeting on the motion for his or her removal.

Cumulative Voting

Under the OBCA, cumulative voting is only permitted in the election of directors if the articles provide for it, and cumulative voting is provided for in Brookfield Corporation's articles. As a result, each holder of Brookfield Class A Shares has the right to cast a number of votes equal to the number of votes attached to the Brookfield Class A Shares held by the holder, multiplied by the number of directors to be elected by the holder and the holders of shares of the classes or series of shares entitled to vote with the shareholder in the election of directors.

Bermuda law does not expressly provide for cumulative voting on any matter. However, consistent with Brookfield Corporation, our company's bye-laws provide for cumulative voting. Accordingly, our company's bye-laws provide that each holder of shares of a class or series of shares of our company entitled to vote in an election of directors has the right to cast a number of votes equal to the number of votes attached to the shares held by the holder multiplied by the number of directors to be elected by the holder and the holders of shares of the classes or series of shares entitled to vote with the holder in the election of directors. A holder may cast all such votes in favor of one candidate or distribute such votes among its candidates in any manner the holder sees fit. Where a holder has voted for more than one candidate without specifying the distribution of votes among such candidates, the holder shall be deemed to have divided the holder's votes equally among the candidates for whom the holder voted.

Vacancies on the Board

Under the OBCA, a quorum of directors may fill a vacancy among the directors, except for the following vacancies, which must be filled by the shareholders: (i) a vacancy resulting from an increase in the number or minimum number of directors; and (ii) a vacancy resulting from a failure to elect the number or minimum number of directors required by the articles of a corporation.

Under the Bermuda Act, subject to any limitations in a company's bye-laws, a vacancy among the directors may be filled by a resolution of shareholders or, if authorized by the shareholders or the bye-laws, by the directors who remain in office. If no quorum of directors remains, the vacancy must be filled by a general meeting of the shareholders.

Our company's bye-laws provide that if a director elected by holders of the class A exchangeable shares is removed from the Board, holders of class A exchangeable shares may fill the vacancy at the meeting at which such director is removed and if a director elected by the holder of the class B shares is removed from the Board, the holders of class B shares may fill the vacancy at the meeting at which such director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

Our company's Board, or the class of shareholders having the exclusive right to elect such director at any general meeting, shall have the power to appoint any person as a director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any director. In all other cases, only the shareholders shall have the power to fill a vacancy on the Board and the Board shall forthwith call a general meeting of shareholders to fill such vacancy or vacancies arising; provided that if the Board fails to call a general meeting within 14 days of the vacancy arising, or if there are no directors then in office, then the secretary or any shareholder may summon the general meeting.

Fiduciary Duties of Directors

The OBCA provides that every director and officer of a corporation governed by the OBCA, in exercising his or her powers and discharging his or her duties, shall act honestly and in good faith with a view to the best interests of the corporation, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director and officer of a corporation governed by the OBCA must comply with the provisions of the OBCA, the regulations thereunder, and the articles and by-laws and any unanimous shareholder agreement of such corporation. No provision in a contract, the articles, the bye-laws or any resolution relieves a director or officer from the duty to act in accordance with the OBCA or the regulations thereunder, or relieves him or her of liability for a breach of either, except where an unanimous shareholder agreement restricts the powers of the directors to manage the business and affairs of a corporation, in which case the shareholders incur the liabilities of the directors to the extent to which said powers are restricted and the directors are thereby relieved of their duties and liabilities.

The Bermuda Act provides that every director and officer of a company in performing their functions shall act honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Each director also has certain fiduciary duties at common law which he or she must exercise in good faith for the benefit of the company as a whole. In doing so, he or she must use his or her powers for the purposes for which they are intended and fulfil the duties of his or her office honestly.

Conflicts of Interest of Directors and Officers

Subject to certain specified exceptions, the OBCA restricts interested directors from voting on or participating in board deliberations in respect of any transactions in which such director has an interest. Interested directors and officers must disclose in writing to the corporation or request to have entered in the minutes of meetings of directors the nature and extent of their interest.

Pursuant to the Bermuda Act, if a director is interested in a material contract or a proposed material contract with the company or any of its subsidiaries, or has a material interest in any party to such a contract or proposed contract with the company or any of its subsidiaries, they must declare the nature and extent of that interest to the other directors at the first opportunity. Such disclosure may take the form of a general notice given to our company's Board to the effect that the director has an interest in a specified company or firm and is to be regarded as interested in any contract, transaction or arrangement which may after the date of the notice be made with that company or firm or its affiliates. A director may participate in any meeting called to discuss or any vote called to approve the transaction in which the director has an interest and any transaction approved by our company's Board will not be void or voidable solely because the director was present at or participates in the meeting in which the approval was given provided that our Board or a board committee authorizes the transaction in good faith after the director's interest has been disclosed or the transaction is fair to our company at the time it is approved.

Under Bermuda law, a director will be deemed not to be acting honestly and in good faith, in accordance with their statutory duty of good faith and common law duty to avoid a conflict of interest and not to make a secret profit, if the director fails to disclose at the first opportunity, at a meeting of the board of directors or in writing, an interest in any material contract or his or her material interest in any person that is a party to a material contract.

See above under the heading "*Board Practices — Transactions in which a Director has an Interest*" for further detail on conflicts of interest of directors.

Indemnification of Directors, Officers and Others

The OBCA permits indemnification of a director or officer, a former director or officer or a person who acts or acted at the corporation's request as a director or officer of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal, administrative, investigative, or other proceeding to which he or she is involved by reason of being or having been a director or officer of the corporation or another entity, if: (i) he or she acted honestly and in good faith with a view to the best interests of the corporation or other entity, and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

Under the OBCA, a corporation may also, with court approval, indemnify an indemnifiable person in respect of an action by or on behalf of the corporation or other entity to procure a judgment in its favor, to which the person is made a party by reason of being or having been a director or an officer of the corporation or other entity, against all costs, charges and expenses reasonably incurred by the person in connection with such action if he or she fulfills the conditions set out in clauses (i) and (ii) above.

In any event, an indemnifiable person is entitled to indemnity from the corporation in respect of all costs, charges and expenses reasonably incurred by him or her in connection with the defense of any civil, criminal, administrative investigative action or other proceeding to which he or she is made a party by reason of being or having been a director or officer of the corporation of the body corporate, if the indemnifiable person was not judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done, fulfills the conditions set out in clauses (i) and (ii) above, and is fairly and reasonably entitled to indemnity.

The directors and officers of a Bermuda company may be indemnified and secured harmless out of the assets of such company from and against all actions, costs, charges, liabilities, losses, damages and expenses which they or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of the company’s business, or their duty, or supposed duty, or in their respective offices or trusts. However, the indemnity described above shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the persons described above, in which case it would be rendered void and unenforceable.

Director Liability

Under the OBCA, directors who vote for or consent to a resolution authorizing the issuance of a share of a corporation for consideration other than money are jointly and severally liable to the corporation to make good any amount by which the consideration received by the corporation is less than the fair equivalent of the money that the corporation would have received if the share had been issued for money on the date of the resolution, provided that a director is not liable pursuant to the foregoing if he or she proves he or she did not know and could not reasonably have known that the share was issued for consideration less than the fair equivalent of the money that the corporation would have received had the share been issued for money. In addition, directors who vote or consent to certain resolutions, including, resolutions approving payments or distributions by the corporation contrary to the OBCA are jointly and severally liable to restore to the corporation any amounts so paid and the value of any property so distributed and not otherwise recovered by the corporation. The OBCA does not otherwise permit the substantive limitation of a director’s liability for breach of fiduciary obligations to the corporation, whether through the articles or otherwise. Where an auditor, director or officer is found liable to any person for damages arising out of the performance of any function as such auditor, director or officer as contemplated by the Bermuda Act, an auditor, director or officer may be liable jointly and severally only if it is proved that he or she knowingly engaged in fraud or dishonesty. In all other cases, the court may determine the percentage of responsibility of an auditor, director or officer.

Shareholder Suits

Under the OBCA, a current or former registered or beneficial shareholder may apply to the court for leave to bring an action in the name of and on behalf of a corporation or any of its subsidiaries, or intervene in an action to which any such body corporate is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the body corporate. The court must be satisfied that the complainant has given reasonable notice to the directors of the corporation or its subsidiary of his or her intention to apply to court, the directors of the corporation or its subsidiaries will not bring, diligently prosecute, defend or discontinue the action, that the complainant is acting in good faith and that it appears to be in the interests of the corporation or its subsidiaries that the action be brought, prosecuted, defended or discontinued.

The OBCA provides that the court in a derivative action may make any order it thinks fit including, without limitation: (i) an order authorizing the complainant or any other person to control the conduct of the action; (ii) an order giving directions for the conduct of the action; (iii) an order directing that any amount adjudged payable by a defendant in the action shall be paid, in whole or in part, directly to the former and present shareholders of the corporation or its subsidiary instead of to the corporation or its subsidiary; and (iv) an order requiring the corporation or its subsidiary to pay reasonable legal fees incurred by the complainant in connection with the action. Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or is illegal or would result in the violation of the company’s memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company’s shareholders than that which actually approved it.

Oppression Remedy

The OBCA provides an oppression remedy that enables the court to make any order, both interim and final, to rectify the matters complained of, if the court is satisfied upon the application by a complainant that: (i) any act or omission of a corporation or an affiliate effects or threatens to effect a result; (ii) the business or affairs of a corporation or an affiliate are or have been carried on or conducted in a manner; or (iii) the powers of the directors of a corporation or an affiliate are, have been or are threatened to be exercised in a manner that is oppressive or unfairly prejudicial to, or unfairly disregards the interest of, any security holder, creditor, director or officer of the corporation. A complainant means (i) a registered holder or beneficial owner, or a former registered holder or beneficial owner, of a security of a corporation or any of its affiliates; (ii) a director or an officer or a former director or officer of a corporation or of any of its affiliates; or (iii) any other person who, in the discretion of the court, is a proper person to make such application. Because of the breadth of conduct which can be complained of and the scope of the court's remedial powers, the oppression remedy is very flexible and is sometimes relied upon to safeguard the interests of shareholders and other complainants with a substantial interest in the corporation.

Under the OBCA, it is not necessary to prove that the directors of a corporation acted in bad faith in order to seek an oppression remedy. Furthermore, a court may order the corporation to pay the interim expenses of a complainant seeking an oppression remedy, but the complainant may be held accountable for such interim costs on final disposition of the complaint (as in the case of a derivative action).

Under the Bermuda Act, an oppression remedy also exists. When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, a shareholder appearing in the register of shareholders may apply to the Bermuda court, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

Investigation/Appointment of Inspectors

Under the OBCA, a registered holder or a beneficial owner of a security of a corporation can apply to the court for the appointment of an inspector.

Similarly, under Bermuda law, the Minister of Finance, or on the application of a proportion of shareholders as in the Minister's opinion warrants the application, may appoint one or more inspectors to investigate the affairs of a company. The Minister must consider whether there are reasonable grounds for believing there has been oppressive, unfairly prejudicial, fraudulent, unlawful or dishonest conduct.

Reorganizations, Amalgamations/Mergers and Extraordinary Transactions

The OBCA provides that certain extraordinary corporate actions, such as certain amalgamations, any continuance, and sales, leases or exchanges of all or substantially all of the property of a corporation other than in the ordinary course of business, and other extraordinary corporate actions such as liquidations and dissolutions, are to be approved by special resolution. A special resolution to approve an extraordinary corporate action is also required to be approved separately by the holders of a class or a series of shares, only if that class or series of shares is affected by the extraordinary corporate action in a manner different from the shares of another class or series of shares.

Under Bermuda law, there are three key statutory methods for acquiring a Bermuda company which generally require shareholder approval and comprise a takeover offer, a merger/amalgamation or a scheme of arrangement. In order to effect a scheme of arrangement, a majority of shareholders in number representing 75% in value, present and voting in person or by proxy as well as the approval of the Bermuda Court is required. In the case of a merger/amalgamation, our company's bye-laws require approval by a majority of the votes cast by holders of the class A exchangeable shares who vote in respect of the merger/amalgamation and a majority of the votes cast by holders of the class B shares who vote in respect of the merger/amalgamation. For purposes of approval of an amalgamation or merger, all shares, whether or not otherwise entitled to vote, carry the right to vote (including our class C shares). Any shareholder who does not vote in favor of the amalgamation or merger and who is not satisfied that they have been offered fair value for their shares may, within one month of receiving the notice of shareholder meeting to consider the amalgamation, apply to the Supreme Court of Bermuda to appraise the fair value of the shares.

Dissent and Appraisal Rights

The OBCA provides that the shareholders of a corporation entitled to vote on certain matters are entitled to exercise dissent rights and to be paid the fair value of their shares in connection therewith. Such matters include: (i) an amendment to its articles to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation; (ii) an amendment to its articles to add, remove or change any restriction upon the business or businesses that the corporation may carry on; (iii) any amalgamation with another corporation (other than certain affiliated corporations); (iv) a continuance under the laws of another jurisdiction; (v) the sale, lease or exchange of all or substantially all of its property other than in the ordinary course of business; or (vi) going private or squeeze out transactions. Dissent rights may also be granted by the court in connection with a court approved arrangement of a corporation, as the court may make any order that it sees fit. A properly dissenting shareholder is also entitled to elect to receive the appraised value of his or her shares in connection with certain compulsory acquisitions, as described below under the heading "— *Compulsory Acquisitio*n".

The Bermuda Act requires that an amalgamating or merging company determine the fair value for its shares and states that a dissenting shareholder is entitled to be paid fair value for their shares. It further provides shareholders who did not vote in favor of the merger/amalgamation and who do not believe that they have been offered fair value with the right to seek the appraisal of the fair value of their shares by the Supreme Court of Bermuda. Further, the shareholders of a Bermuda company are entitled, by application to the Bermuda court, to exercise dissent rights in the event of a compulsory acquisition of shares in the circumstances described below under the heading "— *Compulsory Acquisition*".

Compulsory Acquisition

Under the OBCA, where over 90% of the shares of an offering corporation (other than shares held at the date of the bid by or on behalf of the bidder or an affiliate or associate of the bidder) are acquired pursuant to a takeover bid or issuer bid, by complying with the provisions of the OBCA, (i) the bidder can force the non-tendering shareholders to either sell their shares on the same terms as the tendering shareholders, or (ii) the non-tendering shareholders can demand payment from the corporation of the fair value of their securities in exchange for the surrender of their securities to the corporation.

Pursuant to the Bermuda Act, where a scheme or contract involving the transfer of shares of a Bermuda company has been approved by the holders of not less than 90% in value of the shares, the offeror can then give notice in the prescribed form to the holders of the remaining shares of the fact of the acquisition within one month of the transfer. The transferee company may, within one month from the date on which the notice was given, pay the price payable to the remaining shareholders. A dissenting shareholder (that is a shareholder who has not assented to the scheme or contract or who has failed or refused to transfer his or her shares to the transferee company) may, within one month from the date of the notice, require the transferee company to acquire the shares in question and may also apply to the Bermuda Court to order such other terms as it thinks fit to order.

Pursuant to the Bermuda Act, holder(s) of not less than 95% of the shares of a Bermuda company can, on giving notice to the minority shareholders, force them to sell their interest to the 95% holder(s) provided that the terms offered are the same for all of the holders of the shares whereupon the acquiring shareholder is bound to acquire the outstanding shares on the terms set out in the notice. The 5% shareholders can apply to the Bermuda court for an appraisal of the value of their shares, and the majority holder will be entitled to acquire the shares at the price so fixed by the Bermuda court.

Transferability of Shares

Unless the articles of a corporation contain a restriction on the transfer of shares, under the OBCA, shares are presumed to be freely transferable.

Brookfield Corporation's articles do not contain any restriction on the transfer of shares. However, the sole holder of the Brookfield Class B Shares is a party to a trust agreement in which it has agreed not to sell any of its Brookfield Class B Shares, directly or indirectly, pursuant to a takeover bid, unless a concurrent bid is made to all holders of Brookfield Class A Shares. The concurrent offer must be: (i) for the same percentage of Brookfield Class A Shares as the percentage of Brookfield Class B Shares offered to be purchased from the holder; and (ii) the same in all material respects as the offer for the Brookfield Class B Shares. Among other things, the trust agreement permits: (i) a sale by the sole holder of Brookfield Class B Shares at a price per share less than 115% of the market price of Brookfield Class A Shares and as part of a transaction involving not more than five persons in the aggregate; and (ii) a direct or indirect sale of shares of the sole holder of Brookfield Class B Shares to a purchaser who is or will become a shareholder of that holder and will not hold more than 20% of that holder's outstanding shares as a result of the transaction.

The exchangeable shares are not to be treated as securities that are convertible into Brookfield Class A Shares for purposes of the application of applicable Canadian or U.S. rules relating to takeover bids, issuer bids and tender offers. As a result, holders of exchangeable shares will not be entitled to participate in an offer or bid made to acquire Brookfield Class A Shares unless such offer has been extended to holders of exchangeable shares.

Subject to any limitations or provisions to the contrary in its bye-laws, registered shares of a company incorporated under the Bermuda Act may be transferred by a written instrument of transfer. In the absence of a written instrument of transfer, the directors may accept such evidence of a transfer of shares as they consider appropriate. Shares that are listed or admitted to trading on an appointed stock exchange may be transferred in accordance with the rules and requirements of such exchange.

ITEM 10.C MATERIAL CONTRACTS

The following are the only material contracts, other than the contracts entered into in the ordinary course of business, which (i) have been entered into by our company within the past two years or (ii) are otherwise material to our company:

1. Amended and Restated Rights Agreement dated March 21, 2023 between Brookfield Corporation, our company and the rights agent described below.

2. Second Amended and Restated Support Agreement dated October 29, 2024, between our company and Brookfield Corporation, described below.

3. Second Administration Agreement dated October 29, 2024 between our company and Brookfield Corporation, described below.

4. Trademark Sublicense Agreement dated June 28, 2021 between our company and Brookfield Corporation, described below.

5. Credit Agreement dated June 28, 2021, and as amended and restated on September 12, 2023, between BWS Holdings Ltd. (f/k/a BAM Re Holdings Ltd.), NER SPC, NER Ltd., BWS US Holdings LLC (f/k/a BAMR US Holdings LLC), BAC Canada and BAC UK, as borrowers, BWS Holdings Ltd., as guarantor, Brookfield Corporate Treasury Ltd. and Brookfield Treasury Management Limited, as lenders, as described below.

6. Equity Commitment Agreement dated June 28, 2021 between our company and Brookfield Corporation, described below.

Copies of the agreements noted above will be provided, free of charge, by our company and are available electronically on our EDGAR profile at www.sec.gov and on our SEDAR+ profile at www.sedarplus.ca. Written requests for such documents should be directed to our Corporate Secretary at Ideation House, First Floor, 94 Pitts Bay Road, Pembroke, HM08, Bermuda, Tel: +1 (441) 405-7811. The following is a summary of the principal terms of some of our material contracts:

Support Agreement

Our company entered into the Support Agreement between our company and Brookfield Corporation dated June 28, 2021, as amended and restated on March 21, 2023 and October 29, 2024 (the "**Support Agreement**"), pursuant to which Brookfield Corporation has agreed to support the economic equivalence of the exchangeable shares and Brookfield Class A Shares for so long as exchangeable shares not owned by Brookfield are outstanding and there has not been an amendment to the exchange feature by agreeing to, among other things, take all actions reasonably necessary to enable our company to pay quarterly distributions, the liquidation amount or the amount payable on a redemption of exchangeable shares, as the case may be.

As set forth in the Support Agreement, we may, from time to time, where it is in the best interest of our subsidiaries and their policyholders to do so, appoint BAM as the investment manager. Brookfield Corporation has also agreed that it will, or will cause the appropriate Brookfield entity, to accept such appointment. For more information, see below under the heading "— *Investment Management Agreements*" for the terms of the Investment Management Agreements.

Rights Agreement

The rights agent, our company, and Brookfield Corporation entered into the Rights Agreement dated June 28, 2021, as amended and restated on March 21, 2023 (the "**Rights Agreement**"), pursuant to which Brookfield Corporation has agreed that on the applicable specified exchange date with respect to any exchangeable shares submitted for exchange, Brookfield Corporation will satisfy, or cause to be satisfied, the obligations pursuant to our bye-laws to exchange such subject exchangeable shares for Brookfield Class A Shares or its cash equivalent plus any unpaid distributions. For more information, see Item 10.B "*Memorandum and Articles of Association — Rights Agreement*".

The Administration Agreement

Brookfield Corporation provides administrative services to our company on a cost recovery basis under the Administration Agreement entered into on June 28, 2021, as amended and restated on August 5, 2022 and March 22, 2024, and on October 29, 2024 (the "**Administration Agreement**"). The following is a summary of certain provisions of the Administration Agreement and is qualified in its entirety by reference to all of the provisions of the agreement. Because this description is only a summary of the Administration Agreement, it does not necessarily contain all of the information that you may find useful, and we therefore urge you to review the Administration Agreement in its entirety. The Administration Agreement is available electronically on EDGAR on the SEC's website at www.sec.gov or on SEDAR+ at www.sedarplus.ca.

General

Pursuant to the Administration Agreement, Brookfield Corporation provides, or cause to be provided, if and as requested by our company, and in each case, subject to the overriding supervision and direction of our Board, certain administrative and support services. On March 22, 2024, our company gave notice to Brookfield Corporation of its intention to internalize the services of our company's Chief Executive Officer, Chief Financial Officer and Chief Investment Officer, and our company directly employed such executives effective as of March 22, 2024. Following receipt of such notice, our company and Brookfield Corporation agreed to amend the Administration Agreement (the "**Administration Agreement Amendment**") to reflect the fact that the services of our company's Chief Executive Officer, Chief Financial Officer and Chief Investment Officer will no longer be provided by Brookfield Corporation under the Administration Agreement. The Administration Agreement Amendment also clarifies that on a go forward basis, Brookfield Corporation will only be responsible for providing support for payroll processing and administration, benefits administration, support for equity compensation administration and reporting, information technology systems and support and the provision of office space, together with any other services agreed upon from time to time.

Brookfield Corporation has agreed to provide these services to our company on a cost-recovery basis.

The Administration Agreement contains an acknowledgement that Brookfield Corporation may engage in other businesses that may be similar to or in competition with our company's affairs. In the event of a conflict that results in the provision of services under the Administration Agreement being impracticable, Brookfield Corporation will provide our company with written notice of the conflict and our company will be entitled to retain one or more third parties to perform the administrative services to which the conflict relates.

Termination

The term of the Administration Agreement will continue in perpetuity, provided that the Administration Agreement or any of the services thereunder may be terminated by mutual consent of our company and Brookfield Corporation. Our company may also terminate the Administration Agreement at any time in the event of a material breach or material default of Brookfield Corporation's obligations under the Administration Agreement not cured within 60 days of receiving written notice of the breach or default, or upon not less than 30 days' written notice to Brookfield Corporation in the event of insolvency of Brookfield Corporation, in all cases without payment of any termination fees. Brookfield Corporation has the right to terminate the Administration Agreement upon not less than 90 days' prior written notice to our company in the event of a material breach or material default of our company's obligations under the Administration Agreement not cured within 60 days of receiving written notice of the breach or default, or upon not less than 30 days' written notice to our company in the event of insolvency of our company, in all cases without payment of any termination fees.

Investment Management Agreements

We have entered into investment management agreements (the "**Investment Management Agreements**") appointing BAM as the investment manager of certain of our assets and accounts, including assets backing the liabilities assumed by us under our insurance and reinsurance arrangements, and any assets held as surplus. Depending on the structure of the reinsurance arrangement, Brookfield may enter into such Investment Management Agreements with us or directly with the ceding company that is our counterparty to such reinsurance arrangements.

Subject to the terms of the Investment Management Agreements, BAM has discretionary authority to manage the investment and reinvestment of the funds and assets of the accounts holding the assets backing the assumed liabilities in accordance with the investment guidelines specified therein. The investment guidelines will generally permit BAM to invest such assets in a wide range of private and/or public debt, loans, securitizations, structured products, loan originations and other credit instruments or lending opportunities, co-investments, and other types of investment arrangements, including investments in Brookfield Accounts, in certain cases determined by the investment manager or any sub-advisors on a discretionary basis and otherwise, in each case, in accordance with the terms and conditions of the relevant Investment Management Agreement and applicable insurance investment laws.

Generally, Brookfield, as investment manager, will receive an asset management fee based on invested assets in the relevant Brookfield Account for the services provided under the Investment Management Agreements. The Investment Management Agreements permit Brookfield to engage sub-advisors (including sub-advisors that are affiliates or related parties of Brookfield) to provide sub-advisory services with respect to some or all of the assets of the Brookfield Account. Sub-advisors under the Investment Management Agreements will typically receive an asset management fee based on invested assets and incentive fees for their services pursuant to the relevant sub-advisory agreement. In addition, typically the Brookfield Account will bear and be charged for, directly or indirectly, the costs and expenses relating to the Investment Management Agreements and sub-advisory agreements, including the costs and expenses relating to the investment activities performed thereunder.

In all cases, BAM will seek to ensure that the agreements are in the best interests of our company, with terms to be determined in good faith as fair, reasonable and equitable under the circumstances. In making these determinations, BAM will take into account such factors that it deems relevant, which will include the potential benefits and synergies of transacting with a Brookfield-related party. BAM may take its own interests (or the interests of other Brookfield Accounts or businesses) into account in considering and making determinations regarding these matters. Unless BAM determines otherwise, fees or other financial incentives paid to the relevant company will not offset or otherwise reduce the management fee or other compensation paid to Brookfield, will not otherwise be shared with us.

There can be no assurance that the terms of any such agreement will be executed on an arm's length basis, be as favorable to us as otherwise would be the case if the counterparty were not related to Brookfield, be benchmarked in any particular manner, or be the same as those that other Brookfield Accounts receive from the applicable counterparty. In some circumstances, we may receive better terms than from an independent counterparty. In other cases, these terms may be worse. While these agreements raise potential conflicts of interest, Brookfield believes that our access to Brookfield Accounts and their portfolio companies, as well as to Brookfield related parties and companies in which Brookfield has an interest enhances our, Brookfield Accounts' and portfolio companies' capabilities, is an integral part of our operations and will provide benefits to us, Brookfield Accounts and portfolio companies that would not exist but for our affiliation with Brookfield.

All such agreements described in this section are expected to be entered into in the ordinary course without obtaining consent of our independent directors or shareholders, or of investors in other Brookfield Accounts, and such arrangements will not impact the management fee payable to Brookfield or any fee for affiliate services payable to Brookfield or a Brookfield Account (i.e., the portfolio companies will be free to transact in the ordinary course of their businesses without limitations, including by charging their ordinary rates for the relevant services or products).

Equity Commitment

Brookfield Corporation has provided our company an equity commitment in the amount of $2 billion to fund future growth, which we may draw on from time to time (the "**Equity Commitment**"), pursuant to the equity commitment agreement entered into on June 28, 2021 (the "**Equity Commitment Agreement**"). The Equity Commitment may be called by our company in exchange for the issuance of a number of class C shares or Junior Preferred Shares, as the case may be, to Brookfield Corporation, corresponding to the amount of the Equity Commitment called divided (i) in the case of a subscription for class C shares, for an amount equal to the fair market value of the class C shares as determined by our company, acting reasonably, and accepted by Brookfield Corporation, and (ii) in the case of a subscription for Junior Preferred Shares, $25.00. The Equity Commitment will be available in minimum amounts of $10 million and the amount available under the Equity Commitment will be reduced permanently by the amount so called. Before funds may be called on the Equity Commitment, a number of conditions precedent must be met, including that (i) the Support Agreement is in effect and there is no material breach by the company thereunder; (ii) the company shall have provided notice of a draw down on the Equity Commitment to Brookfield Corporation; and (iii) the board of the company shall have (a) authorized the issuance of the class C shares or Junior Preferred Shares, as the case may be, (b) if applicable, determined the value of the class C shares, (c) if applicable, created the Junior Preferred Shares to be issued, and (d) determined that the class C shares or Junior Preferred Shares to be issued will be fully paid and non-assessable.

The rationale for the Equity Commitment is to provide our company with access to equity capital on an as-needed basis to fund growth and to maximize our flexibility. As discussed below, our company has also entered into a Credit Agreement with Brookfield Corporation for purposes of providing our company with access to debt financing on an as-needed basis and to maximize our flexibility. Our company may also establish credit facilities with one or more financial institutions on an arm's length basis from time to time. See Item 3.D "*Risk Factors – Risks Relating to our Company – We will require significant capital in order to continue to fund the growth of our business*".

We intend to use the liquidity provided by the Equity Commitment and any credit facilities (including under the Credit Agreement) for working capital purposes and to fund distributions, and we may use the proceeds from the Equity Commitment to fund growth capital investments and acquisitions. The determination of which of these sources of funding our company will access in any particular situation will be a matter of optimizing needs and opportunities at that time.

The Equity Commitment has a perpetual term and may only be terminated at such time as the Support Agreement has been terminated. As of the date of this Form 20-F, no amounts are currently drawn under the Equity Commitment.

Brookfield Credit Agreement

On June 28, 2021 we entered into a credit agreement with Brookfield as lender (the "**Brookfield Credit Agreement**"), providing for a five-year revolving $200 million credit facility. On March 9, 2022, the size of the facility was increased to $400 million. As of the date of this Form 20-F, no amounts are currently drawn under this credit facility.

The credit facility is available in U.S. or Canadian dollars, and advances will be made by way of Adjusted Term SOFR, U.S. base rate, bankers' acceptance rate or Canadian prime rate loans. The credit facility is expected to bear interest at the specified rate plus 2%, plus an applicable spread, in each case subject to adjustment from time to time as the parties may agree. In addition, the credit facility will contemplate deposit arrangements pursuant to which the lender would, with the consent of a borrower, deposit funds on a demand basis to such borrower's account at a reduced rate of interest.

The Brookfield Credit Agreement provides that the lender is entitled to consent to any decision made by our board to approve any action by our company that constitutes, or could reasonably be expected to constitute, a material change in the nature of our company's business, including any material change in the leverage profile of our company or any action that results, or could reasonably be expected to result, in a downgrade to any credit rating held by our company or any of its subsidiaries, as applicable.

Licensing Agreement

Our company and Brookfield Corporation entered into a trademark sublicense agreement (the "**Licensing Agreement**"), dated June 28, 2021. Pursuant to the Licensing Agreement, Brookfield Corporation will grant a non-exclusive, royalty-free sub-license to use the name "Brookfield" and the Brookfield logo. Other than under this limited license, we will not have a legal right to the "Brookfield" name and the Brookfield logo on a global basis.

The Licensing Agreement may be terminated by Brookfield Corporation upon 30 days' prior written notice if our company defaults in the performance of any material term, condition or agreement contained in the agreement and the default continues for a period of 30 days after written notice of termination of the breach is given to Brookfield Corporation. Brookfield Corporation may also terminate the Licensing Agreement upon 30 days' prior written notice of termination if any of the following occurs:

- our company defaults in the performance of any material term, condition or agreement contained in the agreement and the default continues for a period of 30 days after written notice of termination of the breach is given to the licensee;
- our company assigns, sublicenses, pledges, mortgages or otherwise encumbers the intellectual property rights granted to it pursuant to the Licensing Agreement;
- certain events relating to a bankruptcy or insolvency of our company; or
- the Support Agreement has been terminated.

ITEM 10.D EXCHANGE CONTROLS

There are currently no governmental laws, decrees, regulations or other legislation of Canada, the United States or Bermuda which restrict the import or export of capital, including the availability of cash and cash equivalents for use by our group and their subsidiaries, or the remittance of distributions, interest or other payments to non-residents of Canada or the United States holding exchangeable shares.

ITEM 10.E TAXATION

Certain Material United States Federal Income Tax Considerations

The following discussion summarizes certain material U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) with respect to the ownership and disposition of class A exchangeable shares, as well as certain U.S. federal income tax considerations relevant to our company and its subsidiaries. This discussion only addresses persons that hold exchangeable shares or Brookfield Class A Shares as capital assets for U.S. federal income tax purposes (generally, property held for investment). This discussion does not constitute tax advice and does not address all aspects of U.S. federal income taxation that may be relevant to particular holders of exchangeable shares (or Brookfield Class A Shares) in light of their personal circumstances, or to any holders subject to special treatment under the Code, such as:

- banks and other financial institutions;
- real estate investment trusts and regulated investment companies;
- traders in securities who elect to apply a mark-to-market method of accounting;
- tax-exempt organizations or governmental organizations;

- insurance companies;
- dealers or brokers in securities;
- individual retirement and other tax-deferred accounts;
- persons whose functional currency is not the U.S. dollar;
- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons who own (directly, indirectly, or constructively) 10% or more of the total voting power of all classes of shares entitled to vote or of the total value of all classes of shares of either of our company or Brookfield Corporation;
- persons who hold their exchangeable shares (or Brookfield Class A Shares received pursuant to the exercise of the exchange right) as part of a straddle, hedging, conversion, constructive sale, wash sale, or other integrated or similar transaction;
- partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes (and investors therein);
- persons who are subject to special tax accounting rules under Section 451(b) of the Code; and
- persons who received their exchangeable shares through the exercise of employee stock options or otherwise as compensation or through tax-qualified retirement plans.

For purposes of this discussion, a "**U.S. Holder**" is a beneficial owner of exchangeable shares (or Brookfield Class A Shares received pursuant to the holder's exercise of the exchange right, pursuant to Brookfield Corporation's exercise of its overriding call right, or upon the redemption of exchangeable shares by our company in exchange for Brookfield Class A Shares) that for U.S. federal income tax purposes is:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership, including for this purpose any arrangement or entity that is treated as a partnership for U.S. federal income tax purposes, holds exchangeable shares (or Brookfield Class A Shares), the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Holders that are partnerships for U.S. federal income tax purposes and the partners in such partnerships are urged to consult their tax advisers regarding the U.S. federal income tax consequences of the ownership and disposition of such shares.

This discussion is based on current provisions of the Code, the Treasury Regulations promulgated thereunder, judicial decisions, published positions of the IRS, and other applicable authorities, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect, and to differing interpretations. There can be no assurance that the IRS will not challenge the conclusions reflected herein or that a court would not sustain any such challenge. This discussion does not address all U.S. federal tax laws (such as estate or gift tax laws), nor does it address any aspects of U.S. state or local or non-U.S. taxation.

This discussion is for informational purposes only and is not tax advice. No statutory, judicial, or administrative authority directly addresses the treatment of a security similar to the exchangeable shares for U.S. federal income tax purposes. As a result, the U.S. federal income tax consequences to U.S. Holders of the ownership and disposition of exchangeable shares are uncertain. Holders of exchangeable shares are urged to consult their tax advisers regarding the U.S. federal income tax consequences to them of the ownership and disposition of exchangeable shares in light of their particular circumstances, as well as any tax consequences arising under the U.S. federal tax laws other than those pertaining to income tax, including estate or gift tax laws, or under any state, local, or non-U.S. tax laws or any applicable income tax treaty.

Taxation of Our Non-U.S. Subsidiaries

Our company and certain of our non-U.S. subsidiaries are treated as foreign corporations under the Code. Any non-U.S. subsidiary that is considered to be engaged in a trade or business in the United States generally will be subject to U.S. federal income taxation on a net basis on its income that is effectively connected with such U.S. trade or business (including a branch profits tax on the portion of its earnings and profits that is attributable to such income, subject to certain adjustments), unless otherwise provided under an applicable income tax treaty. In addition, a non-U.S. subsidiary generally will be subject to U.S. federal income taxation on a gross basis on certain U.S.-source income, as well as a U.S. federal excise tax on certain premiums earned on insurance with respect to U.S. risks that are not effectively connected with a U.S. trade or business, unless otherwise provided under an applicable income tax treaty.

We expect each of the non-U.S. subsidiaries to operate in a manner that will not cause it to be treated as engaged in a trade or business within the United States or, if applicable under an income tax treaty, engaged in a trade or business in the United States through a permanent establishment. However, the potential application of the BEAT (discussed below), the complex application of the U.S. federal income tax rules for determining the tax liability of a corporation, and other factors, including any future tax legislation, may cause some or all of the non-U.S. subsidiaries to conduct business differently. Moreover, there is considerable uncertainty as to when a foreign corporation is engaged in a trade or business within the United States and as to what constitutes a permanent establishment under the applicable tax treaties.

Based on such uncertainty, there can be no assurance that the IRS will not contend successfully that one or more of our non-U.S. subsidiaries is engaged in a trade or business (or carrying on business through a permanent establishment) in the United States. If one or more of the non-U.S. subsidiaries were treated as engaged in a trade or business (or carrying on business through a permanent establishment) in the United States, then any such non-U.S. subsidiary could be subject to U.S. federal income taxation on the portion of its net income treated as effectively connected with a U.S. trade or business (or its business profits attributable to a U.S. permanent establishment), as well as the U.S. branch profits tax on effectively connected earnings and profits. The current marginal U.S. federal income tax rates are 21% for a non-U.S. corporation's effectively connected income and 30% for a non-U.S. corporation's effectively connected earnings and profits (as determined under U.S. federal income tax principles), subject to certain adjustments.

Bermuda-U.S. Treaty Benefits

If any of our non-U.S. subsidiaries that are insurance enterprises are entitled to the benefits of the Bermuda-U.S. Treaty for a given taxable year, they will not be subject to U.S. federal income tax on certain of their business profits for that year, unless those business profits are attributable to a permanent establishment in the United States. Our non-U.S. insurance subsidiaries currently intend to conduct their activities in such a manner as to avoid having a permanent establishment in the United States, but because the determination of whether a person has a permanent establishment in the United States is highly factual, and must be made annually, there can be no assurance that they will be successful in that regard.

An insurance enterprise resident in Bermuda whose shares are not traded on an exchange will be entitled to the benefits of the Bermuda-U.S. Treaty only if (i) more than 50% of its shares are beneficially owned, directly or indirectly, by any combination of individual residents of the United States or Bermuda or U.S. citizens and (ii) its income is not used in substantial part, directly or indirectly, to make certain disproportionate distributions to, or to meet certain liabilities of, persons who are neither residents of the United States or Bermuda nor U.S. citizens. It is not certain that any of our non-U.S. insurance subsidiaries organized in Bermuda will qualify for the benefits of the Bermuda-U.S. Treaty, because it cannot be predicted whether such subsidiary's direct or indirect ownership will satisfy the requirements described above. Our company is not eligible for treaty benefits, because it is not an insurance company. Accordingly, our company and the non-U.S. insurance subsidiaries organized in Bermuda intend to conduct substantially all of their non-U.S. operations outside the United States and otherwise to structure their operations and investments so as to avoid being treated as engaged in the conduct of a trade or business within the United States, although no assurance can be provided in this regard.

Net Investment Income

Non-U.S. insurance corporations carrying on an insurance business within the United States may be treated under the Code as having a certain minimum amount of effectively connected net investment income, determined in accordance with a formula that depends, in part, on the amount of U.S. risk insured or reinsured by such corporations. If, contrary to its intention, one of our non-U.S. insurance subsidiaries is considered to be engaged in the conduct of an insurance business in the United States and such company (i) is not entitled to the benefits of an applicable tax treaty in general or (ii) is entitled to the benefits of the treaty in general, but the treaty is interpreted not to apply to investment income, then a significant portion of the investment income of such non-U.S. insurance subsidiary could be subject to U.S. income tax.

Withholding Tax

A non-U.S. corporation generally is subject to a 30% U.S. federal income tax (imposed on a gross basis and generally collected by withholding) on certain "fixed or determinable annual or periodical gains, profits and income" from sources within the United States that are not effectively connected with such non-U.S. corporation's conduct of a U.S. trade or business. Such income includes certain distributions from U.S. corporations and certain interest on investments, but does not include insurance premiums paid with respect to a contract that is subject to the excise tax described below. If a U.S. corporate subsidiary of our company makes a distribution out of its current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), such distribution will be treated as a dividend subject to the 30% withholding tax, except as reduced under any applicable income tax treaty.

Excise Tax

The United States imposes an excise tax on insurance and reinsurance premiums paid to non-U.S. insurers or reinsurers with respect to risks located in the United States, except to the extent waived by an applicable tax treaty. The applicable tax rates are 4% for direct casualty insurance premiums and 1% for reinsurance premiums and direct premiums for life insurance and annuity contracts.

Base Erosion and Anti-Abuse Tax

The BEAT operates as a minimum tax and generally is calculated as a percentage (10.5% for taxable years beginning after 2025) of the "modified taxable income" of an "applicable taxpayer". Modified taxable income is calculated by adding back to a taxpayer's regular taxable income the amount of certain "base erosion tax benefits" with respect to certain payments made to non-U.S. affiliates, as well as the "base erosion percentage" of any net operating loss deductions. The BEAT applies only to the extent it exceeds a taxpayer's regular corporate income tax liability (determined without regard to certain tax credits) and only in years in which the "base erosion percentage" exceeds a specified percentage. If applicable in any given year, the BEAT may significantly increase the tax liability of our U.S. subsidiaries for such year.

Characterization of the Exchangeable Shares

The U.S. federal income tax consequences to U.S. Holders of the ownership and disposition of exchangeable shares depend, in part, on whether the exchangeable shares are, for U.S. federal income tax purposes, treated as stock of our company. No authority directly addresses the U.S. federal income tax treatment of a security with terms and related rights similar to the exchangeable shares, and therefore the tax treatment of the exchangeable shares is uncertain. We treat the exchangeable shares as stock of our company for all U.S. federal income tax purposes, but alternative characterizations are possible.

For example, the IRS or a court might characterize the exchangeable shares as stock of Brookfield Corporation. In such case, the U.S. federal income tax consequences to U.S. Holders of owning exchangeable shares could differ materially from the consequences described below under the heading "*— Taxation of U.S. Holders — Ownership and Disposition of Exchangeable Shares*". Among other things, the tax treatment of distributions on shares could be different. Distributions on the Brookfield Class A Shares generally are expected to be reported as dividends, based on our understanding that Brookfield Corporation currently does not, and does not intend to, calculate its earnings and profits under U.S. federal income tax principles. Our company, on the other hand, currently calculates its earnings and profits under U.S. federal income tax principles. Based on these calculations, we do not believe that our company has any accumulated earnings and profits as of the date hereof, nor do we expect it to have earnings and profits for the current taxable year or in the foreseeable future. Distributions on exchangeable shares are therefore generally expected to be treated as a recovery of tax basis or as capital gain, instead of dividend income, subject to certain conditions. In addition, if the exchangeable shares were treated as stock of Brookfield Corporation for U.S. federal income tax purposes, then the receipt of Brookfield Class A Shares pursuant to the exercise of the exchange right (with respect to the exchangeable shares) might qualify for tax-free treatment.

Alternatively, the IRS or a court may characterize the exchangeable shares and related rights as derivative financial instruments, with complex and uncertain tax consequences that could be materially different from the consequences described below. No assurance can be provided that the IRS or a court will agree with our position that the exchangeable shares constitute stock of our company, and the U.S. federal income tax consequences of an alternative characterization of the exchangeable shares could be materially adverse to U.S. Holders. U.S. Holders are urged to consult their tax advisers regarding the proper treatment of the exchangeable shares for U.S. federal income tax purposes.

The following discussion assumes that the exchangeable shares are treated for U.S. federal income tax purposes as stock of our company.

Taxation of U.S. Holders

Ownership and Disposition of Exchangeable Shares

Distributions on Exchangeable Shares

Subject to the considerations below relating to PFICs, RPII, and Section 1248 of the Code, the gross amount of a distribution paid to a U.S. Holder with respect to exchangeable shares will be included in the holder's gross income as a dividend to the extent paid out of our company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent that the amount of a distribution exceeds our company's current and accumulated earnings and profits, the excess would be treated as a recovery of basis to the extent of the holder's basis in exchangeable shares and then as capital gain. As of the date hereof, we do not believe that our company has any accumulated earnings and profits, nor do we expect it to have earnings and profits for the current taxable year or in the foreseeable future. Distributions on exchangeable shares are therefore generally expected to be treated as a recovery of tax basis or as capital gain, instead of dividend income.

Dividends received by individuals and other non-corporate U.S. Holders of exchangeable shares readily tradable on the NYSE generally will be "qualified dividend income" subject to tax at preferential rates applicable to long-term capital gains, provided that such holders meet certain holding period and other requirements and our company is not treated as a PFIC for the taxable year in which the dividend is paid or for the preceding taxable year. Dividends on exchangeable shares generally will not be eligible for the dividends-received deduction allowed to corporations. Dividends that exceed certain thresholds in relation to a U.S. Holder's tax basis in exchangeable shares could be characterized as "extraordinary dividends" under the Code. A non-corporate U.S. Holder that receives extraordinary dividends generally must treat any losses on the sale of exchangeable shares as long-term capital losses to the extent such extraordinary dividends are treated as qualified dividend income, without regard to the holder's holding period for the shares. Each U.S. Holder is urged to consult a tax adviser regarding the application of the relevant rules in light of the holder's particular circumstances.

Dividends paid by our company generally will constitute foreign-source income for foreign tax credit limitation purposes. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. Dividends distributed by our company with respect to exchangeable shares generally will constitute "passive category income". The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisers regarding the availability of the foreign tax credit with respect to their particular circumstances.

Sale, Exchange, Redemption, or Other Disposition of Exchangeable Shares

Subject to the considerations below relating to PFICs, RPII, and Section 1248 of the Code, a U.S. Holder generally will recognize capital gain or loss upon the sale, exchange (including pursuant to the U.S. Holder's exercise of the exchange right), redemption (other than a redemption that is treated as a distribution, as described in the following paragraph), or other taxable disposition of the exchangeable shares (including pursuant to Brookfield Corporation's exercise of its overriding call right) equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in the exchangeable shares so disposed. The amount realized will equal the amount of cash, if any, plus the fair market value of any property received (such as Brookfield Class A Shares received upon the U.S. Holder's exercise of the exchange right or pursuant to Brookfield Corporation's exercise of its overriding call right). Any such capital gain or loss will be long-term capital gain or loss if the holder's holding period for the exchangeable shares exceeds one year at the time of disposition. Gain or loss, as well as the holding period for the exchangeable shares, will be determined separately for each block of exchangeable shares (that is, shares acquired at the same cost in a single transaction) sold or otherwise subject to a taxable disposition. Gain or loss recognized by a U.S. Holder generally will be treated as U.S.-source gain or loss for foreign tax credit limitation purposes. Long-term capital gains of non-corporate U.S. Holders generally are taxed at preferential rates. The deductibility of capital losses is subject to limitations. A U.S. Holder receiving Brookfield Class A Shares pursuant to the holder's exercise of the exchange right (or pursuant to Brookfield Corporation's exercise of its overriding call right) will have a tax basis in such Brookfield Class A Shares equal to their fair market value at the time of the disposition, and the holding period for such shares will begin on the following day.

A redemption of exchangeable shares by our company will be treated as a sale or exchange as described above if such redemption is (i) in "complete redemption" of the U.S. Holder's equity interest in our company, (ii) a "substantially disproportionate" redemption of stock, or (iii) "not essentially equivalent to a dividend", in each case within the meaning of Section 302(b) of the Code. In determining whether any of these tests has been met with respect to the redemption of exchangeable shares, each U.S. Holder may be required to take into account not only the exchangeable shares and other equity interests in our company actually owned by the holder, but also other equity interests in our company that are constructively owned by the holder within the meaning of Section 318 of the Code, including by reason of owning Brookfield Class A Shares. If a U.S. Holder owns (actually or constructively) only an insubstantial percentage of the total equity interests in our company and exercises no control over our company's corporate affairs, the holder may be entitled to sale or exchange treatment on a redemption of the exchangeable shares if the holder experiences a reduction in its equity interest in our company (taking into account any constructively owned equity interests) as a result of the redemption. If a U.S. Holder meets none of the alternative tests of Section 302(b) of the Code, the redemption will be treated as a distribution subject to the rules described above. The amount of the distribution will be equal to the amount of cash and the fair market value of any property received (such as Brookfield Class A Shares). Because the determination as to whether any of the alternative tests of Section 302(b) of the Code is satisfied with respect to any particular U.S. Holder of exchangeable shares will depend upon the facts and circumstances as of the time the determination is made, each U.S. Holder is urged to consult a tax adviser regarding the tax treatment of a redemption, including the calculation of the holder's tax basis in any remaining exchangeable shares in the event of a redemption that is treated as a distribution. For a general discussion of the tax consequences to a U.S. Holder of owning and disposing of Brookfield Class A Shares, see the discussion below under the heading "— *Ownership and Disposition of Brookfield Class A Shares*".

Passive Foreign Investment Company Considerations

Certain adverse U.S. federal income tax consequences generally apply to a U.S. person that owns stock of a non-U.S. corporation that is treated as a PFIC for any taxable year during the U.S. person's holding period for the stock. In general, a non-U.S. corporation will be a PFIC during a taxable year if (i) 75% or more of its gross income constitutes passive income or (ii) 50% or more of its assets produce, or are held for the production of, passive income. For these purposes, a non-U.S. corporation that owns, directly or indirectly, at least 25% of the value of the stock of another corporation generally is treated under a "look-through" rule as if it received directly its proportionate share of the income, and held its proportionate share of the assets, of the other corporation. Passive income generally includes interest, dividends, and other investment income. However, under an "active insurance" exception, income is not treated as passive if it is derived in the "active conduct" of an insurance business by a "qualifying insurance corporation".

The exception for qualifying insurance corporations is limited to a non-U.S. insurance company that would be taxed under the provisions of the Code applicable to a U.S. insurance company if it were a U.S. corporation, and maintains applicable insurance liabilities of more than 25% of its assets for a taxable year (or, alternatively, maintains applicable insurance liabilities that at least equal or exceed 10% of its assets, is predominantly engaged in an insurance business, and satisfies a facts and circumstances test that requires a showing that the failure to exceed the 25% threshold is due to runoff-related or rating-related circumstances). Under proposed regulations, a qualifying insurance corporation is engaged in the active conduct of an insurance business only if it satisfies either a "factual requirements test" or an "active conduct percentage test". An additional exception for U.S. domestic insurance subsidiaries generally provides that the income of a U.S. domestic corporation to which the look-through rules apply is not treated as passive if the corporation is subject to tax as an insurance company under the applicable provisions of the Code, and the corporation is subject to U.S. federal income tax on its net income. Proposed regulations would limit the application of this rule in the case of certain over-capitalized corporations.

Based on the current and expected income, assets, and activities of our company, we do not expect our company to be classified as a PFIC for the current taxable year or in the foreseeable future. However, there is significant uncertainty as to the application of the final and proposed regulations, and there is also uncertainty as to whether the proposed regulations will be finalized as proposed. Moreover, the PFIC determination is made annually as of the end of each taxable year and depends on a number of factors, some of which are beyond our company's control, including the value of our company's assets and the amount and type of its income. Accordingly, there can be no assurance that our company or any of its non-U.S. subsidiaries will not be classified as PFICs for any taxable year or that the IRS will agree with our company's belief regarding its PFIC status.

In general, if our company were a PFIC for any taxable year during a U.S. Holder's holding period for exchangeable shares, then gain recognized by the U.S. Holder upon the sale or other taxable disposition of the exchangeable shares would be allocated ratably over the U.S. Holder's holding period for the exchangeable shares. The amounts allocated to the taxable year of the sale or other taxable disposition and to any year before our company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax on such amount. Further, to the extent that any distribution received by a U.S. Holder on its exchangeable shares were to exceed 125% of the average of the annual distributions on the exchangeable shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above. If our company were classified as a PFIC with respect to a U.S. Holder, then to the extent any of our subsidiaries were also PFICs, the holder might be subject to the adverse tax consequences described above with respect to the shares of such lower-tier PFICs deemed owned by the holder under the PFIC rules.

Certain elections may be available to mitigate the adverse tax consequences of PFIC status described above. If a U.S. Holder were to elect to treat its interest in our company as a "qualified electing fund" ("**QEF Election**") for the first year the holder were treated as holding such interest, then in lieu of the tax consequences described above, the holder would be required to include in income each year a portion of the ordinary earnings and net capital gains of our company, even if not distributed to the holder. If, contrary to our expectations, we determine that our company is a PFIC for any taxable year, then to the extent reasonably practicable, we intend to timely provide U.S. Holders with information related to the PFIC status of our company and each non-U.S. subsidiary that we are able to identify as a PFIC, including information necessary to make a QEF Election with respect to each such entity.

In lieu of making a QEF Election, if our company is a PFIC for any taxable year and the exchangeable shares held by a U.S. Holder are treated as "marketable stock" in such year, then a U.S. Holder may avoid the unfavorable rules described above by making a mark-to-market election with respect to the holder's exchangeable shares. The exchangeable shares will be marketable if they are regularly traded on certain qualified exchanges, including the NYSE. There can be no assurance that trading in exchangeable shares will be sufficiently regular for the shares to qualify as marketable stock. Moreover, we generally do not expect the mark-to-market election to be available with respect to any non-U.S. subsidiary classified as a PFIC. In general, if a U.S. Holder were to make a timely and effective mark-to-market election, the holder would include as ordinary income each year the excess, if any, of the fair market value of the holder's exchangeable shares at the end of the taxable year over its adjusted basis in exchangeable shares.

Subject to certain exceptions, a U.S. person who owns an interest in a PFIC generally is required to file an annual report on IRS Form 8621, and the failure to file such report could result in the extension of the statute of limitations with respect to federal income tax returns filed by the U.S. person. The application of the PFIC rules to U.S. Holders is uncertain in certain respects. U.S. Holders are urged to consult their tax advisers regarding the application of the PFIC rules, including the foregoing filing requirements and the final and proposed regulations, as well as the advisability of making any available election under the PFIC rules, with respect to their ownership and disposition of exchangeable shares.

Related Person Insurance Income

Certain adverse U.S. federal income and tax reporting rules may apply to a U.S. person who, directly or indirectly, owns stock of a non-U.S. corporation that earns RPII. Because our company is a holding company and is not itself licensed as an insurance company, our company does not expect to have income treated as RPII. However, the RPII rules of the Code generally will apply to U.S. Holders who, through their ownership of exchangeable shares, are indirect shareholders of a non-U.S. insurance subsidiary if (i) the subsidiary is a RPII CFC, which generally will be the case if 25% or more of the value or voting power of such non-U.S. insurance subsidiary's shares is owned (directly, indirectly through non-U.S. entities, or by the application of certain constructive ownership rules) by U.S. persons, and (ii) neither of the exceptions described below applies.

RPII generally includes "insurance income" (as defined below) from the direct or indirect insurance or reinsurance of any U.S. person who holds shares of the applicable non-U.S. insurance subsidiary (directly or indirectly through non-U.S. entities) or of a person related to such a U.S. person. In general, and subject to certain limitations, "insurance income" is income, including investment income and premium income, attributable to the issuing of any insurance or reinsurance contract that would be taxed under the Code provisions relating to insurance companies if the income were the income of a U.S. insurance company. A non-U.S. insurance subsidiary may be considered to indirectly reinsure the risk of a U.S. person that holds shares, directly or indirectly, and thus generate RPII, if an unrelated company that insured such risk in the first instance reinsures the risk with such non-U.S. insurance subsidiary.

The RPII rules do not apply to income derived from a non-U.S. insurance subsidiary if (i) direct and indirect insureds and persons related to such insureds, whether or not U.S. persons, are treated as owning (directly or indirectly through entities) less than 20% of the voting power and less than 20% of the value of the shares of such non-U.S. insurance subsidiary or (ii) RPII, determined on a gross basis, is less than 20% of the gross insurance income of such non-U.S. insurance subsidiary for the taxable year. In general, our company believes that its non-U.S. insurance subsidiaries are likely to have operated in such a manner as to qualify for at least one of the foregoing exceptions. However, our company does not track the identity of shareholders or persons who are insured by its subsidiaries for this purpose, and therefore our company has made no formal determination as to whether either of the foregoing exceptions applies to any of its non-U.S. subsidiaries. Accordingly, there can be no assurance that the above RPII rules will not apply or that the IRS will agree with our company's conclusions regarding the application of the RPII rules.

The IRS has issued proposed Treasury Regulations providing guidance on certain aspects of the determination of RPII, including RPII arising from insurance coverage of a person related to a U.S. shareholder of a RPII CFC, as well as certain "cross-insurance" arrangements. We do not expect the proposed regulations, if finalized as proposed, to cause U.S. Holders to be treated as earning RPII.

If none of the exceptions described above applies to a non-U.S. insurance subsidiary for a taxable year, then each U.S. Holder of exchangeable shares on the last day of the taxable year would be taxable currently on its allocable share of the RPII of such subsidiary. RPII would be taxable to such U.S. Holder regardless of whether the holder is an insured or related to an insured. For this purpose, all of the RPII of such subsidiaries would be allocated solely to U.S. Holders, but not in excess of each U.S. Holder's ratable share, of the total income of such subsidiaries, based on the holder's interest in our company, and limited by the relevant subsidiary's current year earnings and profits. A U.S. Holder that is a tax-exempt organization would be required to treat RPII as unrelated business taxable income.

RPII that is taxed to a U.S. Holder would increase the U.S. Holder's tax basis in the exchangeable shares to which it is allocable. Dividends distributed by a non-U.S. insurance subsidiary to our company and by our company to U.S. Holders would, under regulations, be deemed to come first out of taxed RPII and to that extent would not constitute income to the holder. This would be the result whether the dividend is distributed by our company in the same year in which the RPII is taxed or a later year. The untaxed dividend would decrease a U.S. Holder's tax basis in the exchangeable shares. Our company might seek information from its shareholders as to whether beneficial owners of exchangeable shares at the end of the year were U.S. persons, so that RPII could be apportioned among such persons. To the extent our company were unable to determine whether a beneficial owner of shares is a U.S. person, our company might assume that the owner is not a U.S. person for purposes of apportioning RPII, thereby increasing the per share RPII amount for all known U.S. Holders.

The RPII provisions are complex, and regulations interpreting the RPII provisions of the Code exist only in proposed form. Thus, the application of the RPII rules to a U.S. person who owns shares of a holding corporation, such as a U.S. Holder owning exchangeable shares of our company, is uncertain. In addition, any U.S. Holder that owns or is deemed to own 10% or more of either the total voting power or total value of all classes of stock of our company generally will be subject to additional rules under the complex regime for taxing U.S. shareholders of controlled foreign corporations generally. These additional rules are not addressed in this summary. U.S. Holders are urged to consult their tax advisers regarding the application of the foregoing rules, including the proposed Treasury Regulations, to their ownership and disposition of exchangeable shares, as well as any information reporting requirements on IRS Form 5471 (disclosing certain information regarding direct or constructive ownership of a non-U.S. insurance subsidiary) or other applicable IRS form.

Application of Section 1248 of the Code

A U.S. Holder that recognizes taxable gain from the sale or other taxable disposition of exchangeable shares may be subject to additional rules under Section 1248 of the Code. Under Section 953(c)(7) of the Code, the rules of Section 1248 of the Code apply to the sale or exchange of shares of a non-U.S. corporation that would be taxed under the provisions of the Code applicable to U.S. insurance companies if it were a U.S. corporation and that is treated as an RPII CFC (regardless of whether any of the exceptions described above for income derived from a non-U.S. insurance subsidiary applies). If Section 1248 of the Code applies under such circumstances, gain on the disposition of shares of the non-U.S. corporation may be recharacterized as a dividend to the extent of the U.S. person's share of the corporation's undistributed earnings and profits that were accumulated during the period that the U.S. person owned the shares (possibly whether or not those earnings and profits are attributable to RPII).

As discussed above, our company does not directly engage in an insurance or reinsurance business, but it has non-U.S. subsidiaries that do so. Existing proposed Treasury Regulations do not address whether Section 953(c)(7) of the Code may apply to the sale of stock of a non-U.S. corporation which has a non-U.S. subsidiary that is an RPII CFC and that would be taxed under the provisions of the Code applicable to U.S. insurance companies if it were a U.S. corporation. In the absence of legal authority, there is a strong argument that this specific rule should not apply to a disposition of exchangeable shares, because our company is not directly engaged in the insurance business. However, there can be no assurance that the IRS will not successfully assert that Section 953(c)(7) of the Code applies in such circumstances and thus may apply to a U.S. Holder who recognizes taxable gain from the sale or other taxable disposition of exchangeable shares. U.S. Holders are urged to consult their tax advisers regarding the potential for Section 1248 of the Code to apply to the sale or other taxable disposition of exchangeable shares, including any information reporting requirements on IRS Form 5471 or other applicable IRS form.

Ownership and Disposition of Brookfield Class A Shares

The discussion under this heading describes certain U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Brookfield Class A Shares received pursuant to the holder's exercise of the exchange right, pursuant to Brookfield Corporation's exercise of its overriding call right, or upon the redemption of exchangeable shares by our company in exchange for Brookfield Class A Shares.

Distributions on Brookfield Class A Shares

Subject to the PFIC considerations discussed below, a U.S. Holder that receives distributions on Brookfield Class A Shares generally will be subject to U.S. federal income tax consequences substantially similar to those described above under the heading "— *Ownership and Disposition of Exchangeable Shares — Distributions on Exchangeable Shares*". However, our company understands that Brookfield Corporation currently does not, and does not intend to, calculate its earnings and profits under U.S. federal income tax principles. Therefore, U.S. Holders should expect each distribution generally to be reported as a dividend for U.S. federal income tax purposes, even if that distribution would otherwise be treated as a recovery of basis or as capital gain under the rules described above.

Sale, Exchange, Redemption, or Other Disposition of Brookfield Class A Shares

Subject to the PFIC considerations discussed below, upon the sale, exchange, redemption, or other taxable disposition of Brookfield Class A Shares, a U.S. Holder generally will be subject to U.S. federal income tax consequences substantially similar to those described above under the heading "— *Ownership and Disposition of Exchangeable Shares — Sale, Exchange, Redemption, or Other Disposition of Exchangeable Shares*", except that (i) the discussion of the consequences of exercising the exchange right is not relevant for U.S. Holders of Brookfield Class A Shares, because holders of these shares do not have an exchange right, (ii) the discussion of Brookfield Corporation's exercise of the overriding call right is not relevant, and (iii) in the event that the Brookfield Class A Shares are redeemed by Brookfield Corporation, the alternative tests of Section 302(b) will apply by taking into account a U.S. Holder's equity interests in Brookfield Corporation (instead of our company) actually and constructively owned by the U.S. Holder.

Passive Foreign Investment Company Considerations

If Brookfield Corporation were a PFIC for any taxable year during a U.S. Holder's holding period for Brookfield Class A Shares, then the holder generally would be subject to U.S. federal income tax consequences substantially similar to those described above under the heading "— *Ownership and Disposition of Exchangeable Shares — Passive Foreign Investment Company Considerations*". However, in determining whether Brookfield Corporation is a PFIC, the rules regarding the availability of the "active insurance" exception are not expected to be relevant. In addition, the considerations relating to RPII and Section 1248 of the Code, as discussed above, are not expected to be relevant for U.S. Holders of Brookfield Class A Shares.

Our company understands that, based on the current and anticipated composition of the income, assets, and operations of Brookfield Corporation and its subsidiaries, Brookfield Corporation does not believe that it will be a PFIC for U.S. federal income tax purposes for the current taxable year or in the foreseeable future. However, the application of the PFIC rules is subject to uncertainty, and a separate determination must be made after the close of each taxable year as to whether Brookfield Corporation is a PFIC for that year. Changes in the composition of Brookfield Corporation's income or assets may cause Brookfield Corporation to become a PFIC. Accordingly, there can be no assurance that Brookfield Corporation will not be a PFIC for any taxable year.

As discussed above, certain elections may be available to mitigate the adverse tax consequences of PFIC status. However, a U.S. Holder may make a QEF Election with respect to Brookfield Class A Shares only if Brookfield Corporation furnishes certain tax information to U.S. Holders annually, and there can be no assurance that such information will be provided. In lieu of making a QEF Election, if Brookfield Corporation is a PFIC for any taxable year and the Brookfield Class A Shares are treated as "marketable stock" in such year, then a U.S. Holder may avoid the unfavorable rules described above by making a mark-to-market election with respect to the holder's Brookfield Class A Shares. The Brookfield Class A Shares will be marketable if they are regularly traded on certain qualified exchanges, including the NYSE. However, there can be no assurance that trading in the Brookfield Class A Shares will be sufficiently regular for the shares to qualify as marketable stock. Moreover, the mark-to-market election generally is not expected to be available with respect to any non-U.S. subsidiary of Brookfield Corporation classified as a PFIC.

U.S. Holders are urged to consult their tax advisers regarding the application of the PFIC rules, including any applicable filing requirements, as well as the advisability of making any available election under the PFIC rules, with respect to their ownership and disposition of Brookfield Class A Shares.

Medicare Tax

U.S. Holders that are individuals, estates, or trusts may be required to pay a 3.8% Medicare tax on the lesser of (i) the excess of such U.S. Holders' "modified adjusted gross income" (or "adjusted gross income" in the case of estates and trusts) over certain thresholds and (ii) such U.S. Holders' "net investment income" (or "undistributed net investment income" in the case of estates and trusts). For these purposes, "net investment income" includes a U.S. Holder's share of dividends on exchangeable shares and Brookfield Class A Shares, as well as gain upon the sale or other taxable disposition of exchangeable shares and Brookfield Class A Shares. Unless a U.S. Holder elects otherwise or holds exchangeable shares or Brookfield Class A Shares in connection with certain trades or businesses, the RPII and PFIC provisions generally will not apply for purposes of determining a U.S. Holder's net investment income. U.S. Holders are urged to consult their tax advisers regarding the implications of the 3.8% Medicare tax for their ownership and disposition of exchangeable shares and Brookfield Class A Shares.

Backup Withholding and Information Reporting

Payments of dividends to a U.S. Holder and proceeds from the sale or other disposition of exchangeable shares or Brookfield Class A Shares generally will be subject to information reporting and may, under certain circumstances, be subject to backup withholding, unless the holder provides proof of an applicable exemption or, in the case of backup withholding, furnishes its taxpayer identification number and otherwise complies with all applicable requirements of the backup withholding rules. Backup withholding is not an additional tax and generally will be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Foreign Financial Asset Reporting

Certain U.S. persons are required to report information relating to interests in "specified foreign financial assets", including shares issued by a non-U.S. corporation, for any year in which the aggregate value of all specified foreign financial assets exceeds certain thresholds, subject to certain exceptions (including an exception for shares held in a custodial account maintained with a U.S. financial institution). Penalties may be imposed for a failure to disclose such information. U.S. Holders are urged to consult their tax advisers regarding the effect, if any, of these additional reporting requirements on their ownership and disposition of exchangeable shares or Brookfield Class A Shares.

Changes in U.S. Tax Law

The tax treatment of non-U.S. companies, their U.S. and non-U.S. insurance subsidiaries, and investors in such non-U.S. companies has been significantly altered by the *Tax Cuts and Jobs Act,* the *Inflation Reduction Act, the OBBBA,* and other recent U.S. tax legislation. There is significant uncertainty regarding the interpretation of certain provisions of such legislation. Although some guidance has been provided, much of it remains in proposed form. In addition, it is possible that "technical corrections" or other legislation could be enacted that would alter or clarify such tax laws, and any such alterations or clarifications could have retroactive effect. The effect of any changes to, clarifications of, or guidance under recent U.S. tax legislation could add significant expense and have an adverse effect on our business, financial condition, and operating results or on a U.S. Holder's ownership and disposition of exchangeable shares.

The tax treatment of non-U.S. companies and their U.S. and non-U.S. insurance subsidiaries may be the subject of future legislation. We cannot predict whether any particular proposed legislation will be enacted or, if enacted, what the specific provisions or the effective date of any such legislation would be, or whether it would have any effect on us. As a result, no assurance can be given that future legislative, administrative, or judicial developments will not result in an increase in the amount of U.S. tax payable by us or by a holder of exchangeable shares or will not reduce the attractiveness of our platform and adversely affect our business. If any such developments occur, our business, financial condition, and operating results may be significantly impacted, with such developments resulting in an adverse effect on an investment in exchangeable shares.

The U.S. federal income tax laws and interpretation, including with respect to whether a company is engaged in a U.S. trade or business (or has a U.S. permanent establishment) or is a PFIC, or whether U.S. persons would be required to include RPII in their gross income, are subject to change, possibly on a retroactive basis. Furthermore, new regulations or pronouncements interpreting or clarifying these or other rules may be forthcoming. We cannot predict the effect of any new guidance on our company or U.S. Holders.

FATCA

FATCA imposes a 30% withholding tax on "withholdable payments" made to a "foreign financial institution" or a "non-financial foreign entity", unless such financial institution or entity satisfies certain information reporting or other requirements. Withholdable payments include certain U.S.-source income, such as interest, dividends, and other passive income.

We intend to comply with FATCA, so as to ensure that the 30% withholding tax does not apply to any withholdable payments received by our company or any of our non-U.S. subsidiaries. In compliance with FATCA, information regarding ownership of our exchangeable shares may be reported to the IRS or to a non-U.S. governmental authority. FATCA remains subject to modification by an applicable intergovernmental agreement between the United States and another country, such as the agreement in effect between the United States and Bermuda for cooperation to facilitate the implementation of FATCA, or by future Treasury Regulations or guidance. U.S. Holders are urged to consult their tax advisers regarding the consequences under FATCA of owning and disposing of exchangeable shares.

THE FOREGOING DISCUSSION IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. THE TAX MATTERS RELATING TO OUR COMPANY, BROOKFIELD CORPORATION, AND HOLDERS OF EXCHANGEABLE SHARES AND BROOKFIELD CLASS A SHARES ARE COMPLEX AND ARE SUBJECT TO VARYING INTERPRETATIONS. MOREOVER, THE EFFECT OF EXISTING INCOME TAX LAWS, THE MEANING AND IMPACT OF WHICH ARE UNCERTAIN, AND OF PROPOSED CHANGES IN INCOME TAX LAWS WILL VARY WITH THE PARTICULAR CIRCUMSTANCES OF EACH HOLDER OF EXCHANGEABLE SHARES OR BROOKFIELD CLASS A SHARES, AND IN REVIEWING THIS ANNUAL REPORT ON FORM 20-F THESE MATTERS SHOULD BE CONSIDERED. EACH HOLDER OF EXCHANGEABLE SHARES OR BROOKFIELD CLASS A SHARES SHOULD CONSULT ITS OWN TAX ADVISER WITH RESPECT TO THE U.S. FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF EXCHANGEABLE SHARES AND BROOKFIELD CLASS A SHARES.

Certain Material Canadian Federal Income Tax Considerations

The following discussion summarizes the principal Canadian federal income tax consequences under the *Tax Act* and the regulations thereunder with respect to the holding and disposition of exchangeable shares and Brookfield Class A Shares received on a redemption, exchange or other disposition of exchangeable shares to our company or Brookfield Corporation to a shareholder who is a beneficial owner of such shares, and who, at all relevant times, for the purposes of the *Tax Act*, (i) deals at arm's length with our company and Brookfield Corporation, (ii) is not affiliated with our company or Brookfield Corporation, and (iii) holds the exchangeable shares and Brookfield Class A Shares as capital property (a "**Holder**"). Generally, the exchangeable shares and Brookfield Class A Shares will be capital property to a Holder provided the Holder does not acquire or hold such shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary assumes that our company is not and will not become, at any time, a resident of Canada for the purposes of the *Tax Act*. If our company is (or becomes) resident in Canada for the purposes of the *Tax Act*, the Canadian federal income tax consequences to a Holder will be different in some material respects from those described in this summary.

This summary is not applicable to a Holder: (i) that is a "specified financial institution" (as defined in the *Tax Act*), (ii) that is a "financial institution" for purposes of the "mark-to-market property" rules in the *Tax Act*, (iii) an interest in which is a "tax shelter investment" (as defined in the *Tax Act*), (iv) that reports its "Canadian tax results" (as defined in the *Tax Act*) in a currency other than Canadian currency, (v) in respect of whom our company is or will be, at any time, a "foreign affiliate" for the purposes of the *Tax Act*, including section 212.3 of the Tax Act) or of any corporation that does not deal at arm's length with such Holder for the purposes of the *Tax Act*, (vi) that has entered into or will enter into a "derivative forward agreement" or a "dividend rental arrangement" (each as defined in the *Tax Act*) in respect of the exchangeable shares or Brookfield Class A Shares, (vii) that is a partnership, or (viii) that is exempt from tax under the *Tax Act*. Such Holders should consult their own tax advisors. This summary does not address the deductibility of interest on money borrowed with respect to the exchangeable shares or Brookfield Class A Shares.

This summary is based on the current provisions of the *Tax Act* and the regulations thereunder, all specific proposals to amend the *Tax Act* and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary assumes that all Tax Proposals will be enacted in the form proposed but no assurance can be given that the Tax Proposals will be enacted in the form proposed or at all.This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative or judicial action or decision, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein. This summary is not exhaustive of all possible Canadian federal income tax consequences that may affect holders. Holders should consult their own tax advisors.

This summary is of a general nature only and is not, and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder or prospective Holder, and no representations concerning the Canadian federal income tax consequences to any particular Holder or prospective Holder are made. This summary is not exhaustive of all possible Canadian federal income tax considerations that may affect Holders and prospective Holders. Accordingly, Holders and prospective Holders should consult their own tax advisors with respect to an investment in the exchangeable shares or Brookfield Class A Shares, as applicable, having regard to their own particular circumstances.

Generally, for purposes of the *Tax Act*, all amounts relating to the acquisition, holding or disposition or deemed disposition of exchangeable shares or Brookfield Class A Shares must be expressed in Canadian currency. Amounts denominated in another currency must be converted into Canadian currency using the applicable rate of exchange (pursuant to the *Tax Act*) quoted by the Bank of Canada on the date such amounts arose, or such other rate of exchange as is acceptable to the CRA.

Taxation of Holders Resident in Canada

The following portion of the summary is applicable to a Holder who, at all relevant times is resident or is deemed to be resident in Canada under the *Tax Act* (a "**Resident Holder**").

Certain Resident Holders whose Brookfield Class A Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election permitted by subsection 39(4) of the *Tax Act*, the effect of which may be to deem any such Brookfield Class A Shares (and all other "Canadian securities", as defined in the *Tax Act*) owned by such Resident Holders to be capital property in the taxation year in which the election is made and in all subsequent taxation years. Resident Holders whose Brookfield Class A Shares might not otherwise be considered to be capital property should consult their own tax advisors concerning this election. The exchangeable shares will not be "Canadian securities" for the purpose of the irrevocable election under subsection 39(4) of the *Tax Act* and therefore no such election will apply to the exchangeable shares. Resident Holders who do not hold the exchangeable shares as capital property should consult their own tax advisors regarding their particular circumstances.

Holding and Disposing of the Exchangeable Shares

Returns of Capital

Any return of capital distributions paid or payable to a Resident Holder in a taxation year on a class of exchangeable shares will not be included in computing the Resident Holder's income but will reduce the Resident Holder's adjusted cost base of the exchangeable shares of such class. To the extent that a Resident Holder's adjusted cost base of a class of exchangeable shares would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Resident Holder and the adjusted cost base of the applicable class of exchangeable shares to the Resident Holder will be nil immediately thereafter. The income tax consequences discussed below for Resident Holders under the heading "— *Taxation of Capital Gains and Capital Losses*" will generally apply to any such deemed capital gains realized by the Resident Holder.

Dividends

The full amount of dividends received (or deemed to be received) on the exchangeable shares by a Resident Holder who is an individual (other than certain trusts) will be included in computing the Resident Holder's income and will not be subject to the gross-up and dividend tax credit rules normally applicable under the *Tax Act* to taxable dividends received from "taxable Canadian corporations" (as defined in the *Tax Act*). Dividends received by an individual (other than certain trusts) may give rise to alternative minimum tax under the *Tax Act*, depending on the individual's circumstances.

Dividends received on the exchangeable shares by a Resident Holder that is a corporation will be included in computing the corporate Resident Holder's income and such Resident Holder will not be entitled to the inter-corporate dividend deduction in computing taxable income which generally applies to dividends received from taxable Canadian corporations.

Subject to the detailed rules in the *Tax Act*, a Resident Holder may be entitled to a foreign tax credit or deduction for any foreign withholding tax paid with respect to dividends received by the Resident Holder on the exchangeable shares to the extent and under the circumstances described in the *Tax Act*. Resident Holders should consult their own tax advisors with respect to the availability of a foreign tax credit or deduction having regard to their own particular circumstances.

Redemptions, Exchanges and Other Dispositions of the Exchangeable Shares

A Resident Holder who disposes of, or who is deemed to dispose of, an exchangeable share, including a disposition to our company (whether on a redemption by our company or otherwise), or a disposition to Brookfield Corporation (whether on an exchange at the request of the Resident Holder, pursuant to the exercise by Brookfield Corporation of its call rights or otherwise), will realize a capital gain (or sustain a capital loss) equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the aggregate of the Resident Holder's adjusted cost base of such share and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under the heading "— *Taxation of Capital Gains and Capital Losses*".

Where exchangeable shares are redeemed by our company or our company is liquidated, dissolved or wound-up and the redemption amount or liquidation entitlement, as applicable, is satisfied by our company in Brookfield Class A Shares or where Brookfield Corporation satisfies the exchange request of a Resident Holder or exercises its call rights in connection with a redemption or liquidation, dissolution or winding-up of our company, as applicable, and the consideration for the satisfaction of the exchange request, or the exercise of the call rights, as applicable, is satisfied by Brookfield Corporation in Brookfield Class A Shares, the proceeds of disposition will be equal to the fair market value, at the time of the acquisition, of the Brookfield Class A Shares acquired by such Resident Holder plus the amount of any cash received in lieu of fractional Brookfield Class A Shares. The cost of the Brookfield Class A Shares so acquired by the Resident Holder will be equal to the fair market value thereof at the time of the acquisition. The cost of the Brookfield Class A Shares so acquired will be averaged with the adjusted cost base of all other Brookfield Class A Shares, if any, held by the Resident Holder as capital property at such time for the purpose of determining thereafter the adjusted cost base of each Brookfield Class A Share held by the Resident Holder.

For a discussion of the Canadian federal income tax consequences to Resident Holders of holding and disposing of Brookfield Class A Shares received as consideration for the satisfaction of an exchange request, or the exercise of the call rights, as applicable, see below under the heading "— *Holding and Disposing of Brookfield Class A Shares*".

Taxation of Capital Gains and Capital Losses

In general, one-half of a capital gain realized by a Resident Holder must generally be included in computing such Resident Holder's income as a taxable capital gain. One-half of a capital loss must be deducted as an allowable capital loss against taxable capital gains realized in the year and any remainder may be deducted against net taxable capital gains in any of the three preceding taxation years or any subsequent taxation year, to the extent and under the circumstances described in the *Tax Act*.

Individuals or trusts (other than certain trusts) may be subject to an alternative minimum tax under the *Tax Act* in respect of net capital gains realized by them.

Refundable Tax

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the *Tax Act*) or is or is deemed to be at any time in the relevant taxation year a "substantive CCPC" (as defined in the *Tax Act*) will be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income", which is defined in the *Tax Act* to include dividends or deemed dividends that are not deductible in computing taxable income and an amount in respect of taxable capital gains. Resident Holders are advised to consult their own tax advisors in this regard.

Foreign Property Information Reporting

Generally, a Resident Holder that is a "specified Canadian entity" (as defined in the *Tax Act*) for a taxation year or a fiscal period and whose total "cost amount" of "specified foreign property" (as such terms are defined in the *Tax Act*), including the exchangeable shares, at any time in the year or fiscal period exceeds C$100,000 will be required to file an information return with the CRA for the year or fiscal period disclosing certain prescribed information in respect of such property. Subject to certain exceptions, a Resident Holder generally will be a specified Canadian entity. The exchangeable shares will be specified foreign property of a Resident Holder for these purposes. Penalties may apply where a Resident Holder fails to file the required information return in respect of such Resident Holder's specified foreign property on a timely basis in accordance with the *Tax Act*.

The reporting rules in the *Tax Act* relating to specified foreign property are complex and this summary does not purport to address all circumstances in which reporting may be required by a Resident Holder. Resident Holders should consult their own tax advisors regarding compliance with the reporting rules contained in the *Tax Act*.

Offshore Investment Fund Property

The "offshore investment fund property rules" in the *Tax Act* (the "**OIFP Rules**") may require a Resident Holder to include in income in each taxation year an amount in respect of acquiring, holding or having an exchangeable share.

These rules may apply to a Resident Holder in respect of an exchangeable share if two conditions are satisfied: (a) the value of such exchangeable share may reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments in: (i) shares of the capital stock of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii) rights or options to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing (collectively, "**Investment Assets**"); and (b) it may reasonably be concluded, having regard to all the circumstances (including certain specified circumstances), that one of the main reasons for the Resident Holder acquiring, holding or having an exchangeable share was to derive a benefit from portfolio investments in Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such Investment Assets for any particular year are significantly less than the tax that would have been applicable under Part I of the *Tax Act* had the income, profits and gains been earned directly by the Resident Holder.

If applicable, these rules would generally require a Resident Holder to include in income for each taxation year in which the Resident Holder owns an exchangeable share an imputed return for the taxation year for each exchangeable share owned that is determined by reference to a prescribed rate of interest plus two percent applied to the "designated cost" (as defined in section 94.1 of the *Tax Act*) of the exchangeable share, less the Resident Holder's income for the year (other than a capital gain) from such share, determined without reference to the OIFP Rules. Any amount required to be included in computing a Resident Holder's income under these provisions will be added to the adjusted cost base and the designated cost to the Resident Holder of the exchangeable share.

The OIFP Rules are complex and their application will potentially depend, in part, on the reasons for a Resident Holder acquiring, holding or having the exchangeable shares. Resident Holders are urged to consult their own tax advisors regarding the application and consequences of these rules in their own particular circumstances.

Holding and Disposing of Brookfield Class A Shares

The following portion of the summary is applicable to a Resident Holder who receives Brookfield Class A Shares on a redemption, exchange or other disposition of exchangeable shares to our company or Brookfield Corporation.

Dividends

The full amount of dividends received (or deemed to be received) on Brookfield Class A Shares by a Resident Holder who is an individual (other than certain trusts) will be included in computing the Resident Holder's income subject to the gross-up and dividend tax credit rules normally applicable under the *Tax Act* to taxable dividends received from taxable Canadian corporations. Such dividends will be eligible for the enhanced gross-up and dividend tax credit if Brookfield Corporation designates such dividends as an eligible dividend. Dividends received by an individual (other than certain trusts) may give rise to alternative minimum tax under the *Tax Act*, depending on the individual's circumstances.

Subject to the potential application of subsection 55(2) of the *Tax Act*, dividends received or deemed to be received on the Brookfield Class A Shares by a Resident Holder that is a corporation will be included in computing the Resident Holder's income and generally will also be deductible in computing its taxable income. Private corporations or subject corporations may be liable to pay a refundable tax under Part IV of the *Tax Act* on dividends received or deemed to be received on the Brookfield Class A Shares to the extent that such dividends are deductible in computing taxable income.

Subsection 55(2) of the *Tax Act* provides that where a corporate Resident Holder receives a dividend, and such dividend is deductible in computing the corporate Resident Holder's income and is not subject to Part IV tax (or is subject to Part IV tax that is refundable as part of the series of transactions that includes the receipt of the dividend), all or part of the dividend may in certain circumstances be treated as a capital gain from the disposition of a capital property, the taxable portion of which must be included in computing the corporate Resident Holder's income for the year in which the dividend was received. Accordingly, corporate Resident Holders should consult their own tax advisors for specific advice with respect to the potential application of this provision.

Disposition of Brookfield Class A Shares

A disposition or deemed disposition of Brookfield Class A Shares (other than to Brookfield Corporation, unless purchased by Brookfield Corporation in the open market in the manner in which shares are normally purchased by any member of the public in the open market) by a Resident Holder will generally result in a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the aggregate of the Resident Holder's adjusted cost base of such share and any reasonable costs of disposition. For this purpose, the adjusted cost base to a Resident Holder of Brookfield Class A Shares will be determined at any time by averaging the cost of such Brookfield Class A Shares with the adjusted cost base of any other Brookfield Class A Shares owned by the Resident Holder as capital property at that time.

The tax treatment of such capital gains and capital losses is described above under the heading "— *Taxation of Capital Gains and Capital Losses*". However, the amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Brookfield Class A Share may be reduced by the amount of any deductible dividends received or deemed to be received by the Resident Holder on such Brookfield Class A Share to the extent and in the circumstances prescribed by the *Tax Act*. Similar rules may apply where a Brookfield Class A Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such Resident Holders should consult their own advisors.

Individuals or trusts (other than certain trusts) may be subject to an alternative minimum tax under the *Tax Act* in respect of net capital gains realized by them.

Additional Refundable Tax

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the *Tax Act*) or is or is deemed to be at any time in the relevant taxation year a "substantive CCPC" (as defined in the *Tax Act*) will be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income", which is defined in the *Tax Act* to include dividends or deemed dividends that are not deductible in computing taxable income and an amount in respect of taxable capital gains. Resident Holders are advised to consult their own tax advisors in this regard.

Eligibility for Investment

Based on the current provisions of the *Tax Act* and the regulations thereunder, (i) provided that the class A exchangeable shares are listed on a "designated stock exchange" (as defined in the *Tax Act* and which currently includes the TSX and the NYSE), the class A exchangeable shares would at such time be a qualified investment under the *Tax Act* for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), deferred profit sharing plan, tax-free savings account ("**TFSA**") and a first home savings account ("**FHSA**") (collectively, "**Registered Plans**"), and (ii) provided that the Brookfield Class A Shares are listed on a designated stock exchange, or that Brookfield Corporation is otherwise a "public corporation" (as defined in the *Tax Act*) at the time the Brookfield Class A Shares are acquired in connection with a redemption, exchange or other disposition to our company or to Brookfield Corporation, the Brookfield Class A Shares, would, at such time, be a qualified investment under the *Tax Act* for Registered Plans.

Notwithstanding that class A exchangeable shares or Brookfield Class A Shares, as applicable, may be a qualified investment for a TFSA, FHSA, RDSP, RRSP, RRIF or RESP, the holder of a TFSA, FHSA or RDSP, the annuitant of an RRSP or RRIF or the subscriber of an RESP, as the case may be, would be subject to a penalty tax in respect of the class A exchangeable shares or Brookfield Class A Shares, as applicable, if such class A exchangeable shares or Brookfield Class A Shares, as applicable, are a "prohibited investment" (as defined in subsection 207.01(1) of the *Tax Act*) for such Registered Plans. Based on the current provisions of the *Tax Act*, the class A exchangeable shares and Brookfield Class A Shares, as applicable, would not be a prohibited investment for a TFSA, FHSA, RDSP, RRSP, RRIF or RESP, provided that the holder of the TFSA, FHSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as the case may be, (i) deals at arm's length with our company or Brookfield Corporation, as applicable, for purposes of the *Tax Act* and (ii) does not have a "significant interest" (as defined in subsection 207.01(4) of the *Tax Act*) in our company or Brookfield Corporation, as applicable. In addition, the class A exchangeable shares and Brookfield Class A Shares, as applicable, would not be a prohibited investment if the class A exchangeable shares or Brookfield Class A Shares, as applicable, are "excluded property" (as defined in subsection 207.01(1) the *Tax Act*) for a TFSA, FHSA, RDSP, RRSP, RRIF or RESP.

Holders who hold or intend to hold exchangeable shares or Brookfield Class A Shares received on a redemption, exchange or other disposition of exchangeable shares to our company or Brookfield Corporation in a Registered Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

Taxation of Holders not Resident in Canada

The following portion of the summary discusses the principal Canadian federal income tax consequences under the *Tax Act* and the regulations thereunder of holding and disposing of Brookfield Class A Shares received on a redemption, exchange or other disposition of exchangeable shares to our company or Brookfield Corporation to a Holder who, at all relevant times, for the purposes of the *Tax Act*, is not, and is not deemed to be, resident in Canada and does not use or hold the Brookfield Class A Shares in a business carried on in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer that carries on an insurance business in Canada and elsewhere.

Dividends

Dividends paid or credited (or deemed to be paid or credited) on Brookfield Class A Shares by Brookfield Corporation to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25%, subject to a possible reduction under the terms of an applicable income tax treaty or convention. For example, the rate of withholding tax applicable to a dividend paid on a Brookfield Class A Share to a Non-Resident Holder who (i) is a resident of the United States for purposes of the Canada-United States Income Tax Convention (1980), as amended (the "**Convention**"), and (ii) beneficially owns the dividend and is fully entitled to the benefits of the Convention, will generally be reduced to 15% (or 5% in certain cases where such Non-Resident Holder is a corporation that beneficially owns at least 10% of Brookfield Corporation's voting shares). Non-Resident Holders should consult their own tax advisors in this regard.

Disposition of Brookfield Class A Shares

A Non-Resident Holder will not be subject to tax under the *Tax Act* on any capital gain realized on a disposition or deemed disposition of a Brookfield Class A Share, unless the Brookfield Class A Share constitutes taxable Canadian property of the Non-Resident Holder for purposes of the *Tax Act* at the time of the disposition or deemed disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

The circumstances under which a Brookfield Class A Share will constitute taxable Canadian property of a Non-Resident Holder are discussed below under the heading "*— Taxable Canadian Property*".

In the event that the Brookfield Class A Share constitutes taxable Canadian property of a Non-Resident Holder and any capital gain that would be realized on the disposition thereof is not exempt from tax under the *Tax Act* pursuant to an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident, then the income tax consequences discussed above for Resident Holders under "Taxation of Holders Resident in Canada — Holding and Disposing of Brookfield Class A Shares — Disposition of Brookfield Class A Shares" will generally apply to the Non-Resident Holder.

Taxable Canadian Property

Provided that the Brookfield Class A Shares are listed on a "designated stock exchange" (as defined in the *Tax Act* and which currently includes the TSX and the NYSE), the Brookfield Class A Shares will generally not constitute taxable Canadian property of a Non-Resident Holder at a particular time unless, at any time during the sixty-month period immediately preceding that time, the following two conditions are met concurrently: (a) 25% or more of the issued shares of any class of Brookfield Corporation were owned by or belonged to one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm's length, and (iii) partnerships in which the Non-Resident Holder or persons with whom the Non-Resident Holder did not deal at arm's length holds a membership interest, directly or indirectly through one or more other partnerships; and (b) more than 50% of the fair market value of the Brookfield Class A Shares was derived directly or indirectly from one or any combination of: (i) real or immovable property situated in Canada, (ii) "Canadian resource properties" (as defined in the *Tax Act*), (iii) "timber resource properties" (as defined in the *Tax Act*), and (iv) options in respect of, or interests or rights in, property described in (i) to (iii), whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the *Tax Act*, the Brookfield Class A Shares may be deemed to be taxable Canadian property of a Non-Resident Holder.

Brookfield Corporation does not believe the Brookfield Class A Shares will constitute taxable Canadian property at any relevant time because none of the conditions in (b) above are expected to be met at any relevant time.

ITEM 10.F DIVIDENDS AND PAYING AGENTS

Not applicable.

ITEM 10.G STATEMENT BY EXPERTS

Not applicable.

ITEM 10.H DOCUMENTS ON DISPLAY

Any statement in this Form 20-F about any of our contracts or other documents is not necessarily complete. If the contract or document is filed as an exhibit to this Form 20-F the contract or document is deemed to modify the description contained in this Form 20-F. You must review the exhibits themselves for a complete description of the contract or document.

As a foreign private issuer under the SEC's regulations, we will file annual reports on a Form 20-F and other reports on Form 6-K. The information disclosed in our reports may be less extensive than that required to be disclosed in annual and quarterly reports on Forms 10-K and 10-Q required to be filed with the SEC by U.S. issuers. Moreover, as a foreign private issuer, we will not be subject to the proxy requirements under Section 14 of the Exchange Act, and our directors and principal shareholders are not subject to the insider short swing profit reporting and recovery rules under Section 16 of the Exchange Act.

The contracts and other documents referred to in this Form 20-F, and our SEC filings are and will be available on our EDGAR profile at www.sec.gov, and certain of these documents are also available on our website at bnt.brookfield.com.

In addition, our company is required to file documents required by Canadian securities laws electronically with Canadian securities regulatory authorities and these filings are available on our SEDAR+ profile at www.sedarplus.ca. Written requests for such documents should be directed to Corporate Secretary at Ideation House, First Floor, 94 Pitts Bay Road, Pembroke, HM08, Bermuda, Tel: +1 (441) 405-7811.

Brookfield Corporation is subject to the information and periodic reporting requirements of the U.S. Exchange Act and fulfills the obligations with respect to those requirements by filing reports with the SEC. Brookfield Corporation also is required to file documents with the securities regulatory authority in each of the provinces and territories in Canada. Annual reports, quarterly reports, period reports on Form 6-K Interactive Data Files and other SEC filings for Brookfield Corporation are available and may be accessed free of charge through the Investors section of its Internet website under the "Reports & Filings" subsection, as soon as reasonably practicable after those documents are filed with, or furnished to, the SEC. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, which can be accessed at www.sec.gov. In addition, Brookfield Corporation's filings are electronically available from SEDAR+, at www.sedarplus.ca. The information found on, or accessible through, the website set forth above is not incorporated into and does not form a part of this Form 20-F.

ITEM 10.I SUBSIDIARY INFORMATION

Not applicable.

ITEM 10.J ANNUAL REPORT TO SECURITY HOLDERS

Not applicable.

ITEM 11 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See the information contained in this Form 20-F under Item 5.A "*Operating Results — Risk Management and Financial Instruments*".

ITEM 12 DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13 DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14 MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Our company amended our bye-laws to, effective as of August 9, 2024, among other things, provide that no holder of class A exchangeable shares is able to vote more than 9.9% of the outstanding class A exchangeable shares. Any class A exchangeable shares held by a shareholder that exceed the 9.9% threshold carry no voting rights in the hands of the 9.9% shareholder and such voting rights are re-allocated *pro rata* among all other holders of class A exchangeable shares based on their shareholdings. In the event that the re-allocation of voting rights would result in the creation of a new shareholder being able to vote more than 9.9% of the outstanding class A exchangeable shares of our company, such re-allocation will occur repeatedly until there is no shareholder with more than 9.9% of the voting rights.

On August 29, 2024, our company redesignated all of its class A-1 exchangeable shares into its class A exchangeable shares pursuant to bye-law amendments approved by shareholders at the 2024 AGM designed to simplify and enhance our capital structure. As a result of the redesignation, there are no class A-1 exchangeable shares currently in issue.

See Section 10.B "*Memorandum and Articles of Association*" for further detail on each class of shares implicated by these modifications.

ITEM 15 CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of December 31, 2025, an evaluation of the effectiveness of our "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) was carried out under the supervision and with the participation of our management, including the Chief Executive Officer and the Chief Financial Officer. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2025, our disclosure controls and procedures were effective.

It should be noted that while our management, including our principal executive and principal financial officers, believe our disclosure controls and procedures provide a reasonable level of assurance that such controls and procedures are effective, they do not expect that our disclosure controls and procedures or internal controls will prevent all errors and all fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Management's Annual Report on Internal Control Over Financial Reporting

Our management team is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our principal executive and principal financial officers, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025, based on the criteria set forth in the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on evaluation under the Internal Control—Integrated Framework, our management team concluded that our internal control over financial reporting was effective as of December 31, 2025.

Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Report of Independent Registered Public Accounting Firm

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by Deloitte LLP, Independent Registered Public Accounting Firm, who have also audited the financial statements of our company, as stated in their reports which are included herein.

Changes in Internal Control

There was no change in our internal control over financial reporting during the year ended December 31, 2025, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16 [RESERVED]

Table of Contents

ITEM 16.A AUDIT COMMITTEE FINANCIAL EXPERT

Our Board has determined that Lars Rodert possesses specific accounting and financial management expertise, that he is the Audit Committee financial expert as defined by the SEC, and that he is independent within the meaning of the rules of the NYSE. Our Board has also determined that other members of the Audit Committee have sufficient experience and ability in finance and compliance matters to enable them to adequately discharge their responsibilities.

ITEM 16.B CODE OF ETHICS

Our Board has adopted the Code of Business Conduct and Ethics, a copy of which is available on our company's SEDAR+ profile at www.sedarplus.ca and EDGAR profile at www.sec.gov and is available on our website at https://bnt.brookfield.com/corporate-governance/governance-documents. See Item 6.C *"Board Practices — Code of Business Conduct and Ethics"*.

ITEM 16.C PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our company has retained Deloitte LLP (PCAOB ID No. 1208) to act as our company's principal accountant.

The table below summarizes the fees for professional services rendered by Deloitte LLP for the audit of our annual financial statements for the years ended December 31, 2025 and 2024. A majority of the fees to Deloitte LLP are billed and settled in Canadian dollars. In order to provide comparability with our company's financial statements, which are reported in U.S. dollars, all Canadian dollar amounts in the table have been converted to U.S. dollars at an average annual rate.

(MILLIONS)	**2025**	2024
Audit Fees[1]	**$ 28.4**	$ 19.4
Audit-Related Fees[2]	**0.9**	0.9
Tax Fees[3]	**0.5**	0.1

(1) Audit fees include fees for the audit of our annual consolidated financial statements, internal control over financial reporting and interim reviews of the consolidated financial statements included in our quarterly interim reports. This fee also includes fees for the audit or review of financial statements for certain of our subsidiaries.

(2) Audit-related fees relate to ancillary services primarily driven by French language translation of our annual and quarterly filings.

(3) Tax fees are principally for assistance in tax compliance and tax advisory services.

Our Audit Committee pre-approves all audit and non-audit services provided to our company by Deloitte LLP.

ITEM 16.D EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

ITEM 16.E PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Our company may from time-to-time, subject to applicable law, purchase class A exchangeable shares in the open market, provided that any necessary approval has been obtained. All such class A exchangeable shares acquired by our company are cancelled or purchased by a non-independent trustee pursuant to the terms of our company's long-term incentive plans. For the year ended December 31, 2025, we purchased no class A exchangeable shares in the open market and acquired (indirectly through escrow companies) 2,255,315 class A exchangeable shares that were acquired by Brookfield upon exchange by our company's shareholders, only during the time period as set out in the table below.

Period[1]	**Total number of class A exchangeable shares acquired**	**Average price paid per class A exchangeable share**	**Total number of class A exchangeable shares purchased as part of publicly announced plans or programs**	**Maximum number of class A exchangeable shares that may yet be purchased under the plans or programs**
August 1, 2025 – August 31, 2025	2,255,315	$ 42.89	—	6,523,728

(1) No purchases or acquisitions of class A exchangeable shares were made in other periods for the year ended December 31, 2025.

ITEM 16.F CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

None.

ITEM 16.G CORPORATE GOVERNANCE

We believe our corporate governance practices are not materially different from those required of U.S. domestic corporations under NYSE listing standards.

ITEM 16.H MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16.I DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16.J INSIDER TRADING POLICIES

We have adopted a written Personal Trading Policy governing the purchase, sale and other dispositions of our securities by our directors and employees that are designed to promote compliance with applicable insider trading laws, rules and regulations and the NYSE listing standards. A copy of our Personal Trading Policy is filed as an exhibit to this Form 20-F.

ITEM 16.K CYBERSECURITY

Risk Management and Strategy

Our cybersecurity program is designed in alignment with industry-recognized standards, including the NIST Cybersecurity Framework, and incorporates risk-based controls intended to protect the confidentiality, integrity and availability of our systems and data. This includes compliance with the Enterprise Information Security Policy ("**EISP**") established by Brookfield as our cybersecurity program.

Key highlights of our cybersecurity program include a comprehensive policy framework, reviewed and updated annually; security awareness training for all employees, completed annually; technology risk assessments for critical information systems and applications, performed annually and following all changes to these systems, continuous vulnerability scans, quarterly penetration testing, quarterly technology risk assessments and the use of software to protect the confidentiality, integrity and availability of our systems, including the use of anti-malware applications and the use of programs that log, monitor and audit system activities. The policies, standards, and guidance are structured to help our company respond effectively to the dynamically changing environment of cybersecurity threats, cybersecurity risks, technologies, laws, and regulations. Our company modifies its policies, standards, and guidance as needed to adjust to this changing environment.

In addition, all employees regularly undergo mandatory continuing cybersecurity and data protection training, supplemented by monthly phishing simulations and targeted in-person training sessions for higher-risk groups. Employees in higher-risk functions receive additional training and cybersecurity awareness education. The policies, standards, and guidance are structured to help our company respond effectively to the dynamically changing environment of cybersecurity threats, cybersecurity risks, technologies, laws, and regulations. Our company modifies its policies, standards, and guidance as needed to adjust to this changing environment.

We may engage third parties to conduct risk assessments. We have policies and processes to govern third-party access and reduce the risks associated with such access. For example, all third-party access must be authorized and have a legitimate business need. Prior to authorization and granting access, the terms and conditions of such access must be agreed to as part of a formal agreement or contract. In addition, all authorized third-party access must be limited, monitored and controlled as appropriate.

Our systems face cybersecurity risks, and we have in the past experienced threats to and breaches of our data and systems. However, to date, these incidents have not had a material impact on our business, results of operations or financial condition. We can provide no assurance that we will not experience any material cybersecurity threats or incidents in the future. See Item 3.D *"Risk Factors — Risks Relating to Our Operating Subsidiaries and Industry — Failure to maintain the security of our information and technology systems could have an adverse effect on our business"*.

Governance

Cybersecurity at BWS is overseen by its Board, Audit Committee and management, as well as by Brookfield. Data privacy and cybersecurity are one element of our comprehensive approach to strong corporate governance and risk management practices, which also focuses on corporate governance ethics; our board of directors; ethical business conduct.

Pursuant to the EISP, Brookfield's executive management appointed a Chief Information Security Officer (the "**CISO**") who has over twenty years of experience in cybersecurity oversight. The CISO works closely with Brookfield's senior management, legal counsel and external counsel to develop and monitor Brookfield's data protection, privacy and cybersecurity program and policies, including such policies that apply to our company. The CISO provides periodic reports to the Brookfield Audit Committee, which subsequently reports to the Brookfield Board of Directors about data protection and cybersecurity risks and issues.

In addition, Brookfield has established a Cyber Leadership Committee, led by the COO and composed of representatives from Brookfield operating business, including our company. The Cyber Leadership Committee meets quarterly to discuss cybersecurity risks, emerging technologies and associated risks, and security initiatives at Brookfield and its operating business.

PART III

ITEM 17 FINANCIAL STATEMENTS

Not applicable.

ITEM 18 FINANCIAL STATEMENTS

See our financial statements beginning on page F-1, which are filed as part of this Form 20-F.

ITEM 19 EXHIBITS

Exhibit Number	Description of Exhibit
1.1	Certificate of Incorporation and Memorandum of Association of Brookfield Wealth Solutions Ltd. (incorporated by reference to Exhibit 3.1 of our company's Form F-1 filed with the SEC on April 1, 2021)
1.2	Third Amended & Restated Bye-laws of Brookfield Wealth Solutions Ltd., effective August 9, 2024 (incorporated by reference to Exhibit 3.1 of our company's Form 6-K filed with the SEC on August 9, 2024)
1.3	Certificate of Name Change of Brookfield Wealth Solutions Ltd., dated September 4, 2024 (incorporated by reference to Exhibit 3.1 of our company's Form 6-K filed with the SEC on September 6, 2024)
2.1	Description of Securities (incorporated by reference to Exhibit 2.1 of our company's Form 20-F filed with the SEC on March 27, 2025)
4.1	Amended and Restated Rights Agreement, dated March 21, 2023, by and among Brookfield Corporation, Brookfield Wealth Solutions Ltd. and Wilmington Trust, National Association (incorporated by reference to Exhibit 4.1 to our company's Form 20-F for the year ended December 31, 2022 filed with the SEC on March 31, 2023)
4.2	Second Amended and Restated Administration Agreement dated October 29, 2024, by and between Brookfield Corporation and Brookfield Wealth Solutions Ltd. (incorporated by reference to Exhibit 10.1 of our company's Form 6-K filed with the SEC on October 31, 2024)
4.3	Equity Commitment Agreement, dated June 28, 2021, by and between Brookfield Corporation and Brookfield Wealth Solutions Ltd. (incorporated by reference to Exhibit 99.3 of our company's Form 6-K filed with the SEC on June 29, 2021)
4.4	Trademark Sublicense Agreement, dated June 28, 2021, by and between Brookfield Corporation and Brookfield Wealth Solutions Ltd. (incorporated by reference to Exhibit 99.4 of our company's Form 6-K filed with the SEC on June 29, 2021)
4.5	Second Amended and Restated Support Agreement, by and between Brookfield Corporation and Brookfield Wealth Solutions Ltd. dated October 29, 2024 (incorporated by reference to Exhibit 10.2 of our company's Form 6-K filed with the SEC on October 31, 2024)
4.6	Credit Agreement, effective as of June 28, 2021, and amended and restated on September 12, 2023, by and among BWS Holdings Ltd., North End Re (Cayman) SPC, North End Re Ltd., BWS US Holdings LLC and Blumont Annuity Company as borrowers, BWS Holdings Ltd. as guarantor and Brookfield Corporate Treasury Ltd. and Brookfield Treasury Management Limited as lenders (incorporated by reference to Exhibit 4.6 of our company's Form 20-F filed with the SEC on March 27, 2025)
8.1	List of Subsidiaries of Brookfield Wealth Solutions Ltd. (incorporated by reference to Item 4.C, "Organizational Structure")
11.1	Personal Trading Policy of Brookfield Wealth Solutions Ltd. dated January 28, 2025 (incorporated by reference to Exhibit 11.1 of our company's Form 20-F filed with the SEC on March 27, 2025)
12.1	Certification of Sachin Shah, Chief Executive Officer of Brookfield Wealth Solutions Ltd., pursuant to Section 302 of the Sarbanes Oxley Act of 2002*
12.2	Certification of Thomas Corbett, Chief Financial Officer of Brookfield Wealth Solutions Ltd., pursuant to Section 302 of the Sarbanes Oxley Act of 2002*
13.1	Certification of Sachin Shah, Chief Executive Officer of Brookfield Wealth Solutions Ltd., pursuant to 18 U.S.C. Section 1350, as adopted to Section 906 of the Sarbanes Oxley Act of 2002*
13.2	Certification of Thomas Corbett, Chief Financial Officer of Brookfield Wealth Solutions Ltd., pursuant to 18 U.S.C. Section 1350, as adopted to Section 906 of the Sarbanes Oxley Act of 2002*
15.1	Consent of Deloitte LLP, Independent Registered Public Accounting Firm*
97.1	Amended Clawback Policy of Brookfield Wealth Solutions Ltd. dated April 30, 2025*

** Filed electronically herewith.*

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing this Form 20-F and that it has duly caused and authorized the undersigned to sign this Form 20-F on its behalf.

Dated: March 25, 2026 **BROOKFIELD WEALTH SOLUTIONS LTD.**

By: /s/ Seamus MacLoughlin

Name: Seamus MacLoughlin

Title: Secretary

BROOKFIELD WEALTH SOLUTIONS LTD.

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Audited Consolidated Financial Statements for Brookfield Wealth Solutions Ltd. as of December 31, 2025 and 2024 for the Years Ended December 31, 2025, 2024 and 2023, together with the accompanying notes and financial statement schedules thereto	F-1

All other financial statement schedules for which provision is made in the applicable accounting regulation of the SEC are not required under the related instructions, are inapplicable, or the required information is included in the Audited Consolidated Financial Statements, and therefore omitted.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Brookfield Wealth Solutions Ltd.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Brookfield Wealth Solutions Ltd. and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and our report dated March 25, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
March 25, 2026

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Brookfield Wealth Solutions Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Brookfield Wealth Solutions Ltd. and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows, for each of the three years in the period ended December 31, 2025, and the related notes and financial statement schedules II, III, IV and VI (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 25, 2026 expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Policy and Contract Claims – Property and casualty liability for unpaid claims and claim adjustment expenses — Refer to Notes 2 and 20 to the financial statements

Critical Audit Matter Description

The Company establishes a liability for unpaid claims and claim adjustment expenses for its property and casualty insurance to provide for the estimated costs of paying claims under property and casualty insurance policies written by the Company. The property and casualty liability for unpaid claims is included within Policy and Contract Claims in the consolidated statements of financial position, which had a balance of $7.3 billion as of December 31, 2025. This liability is the amount estimated for incurred but not reported ("IBNR") claims and claims that have been reported but not settled ("case reserves"), as well as associated claim adjustment expenses. The liability for unpaid claims is estimated based on actuarial techniques and using actuarial assumptions for loss development patterns that are based upon the Company's historical experience and consider the effects of current developments and anticipated trends.

Given the subjectivity of estimating the IBNR and case reserves, particularly on long-tail and specialty type businesses, the related audit effort in evaluating the liability for unpaid claims and claim adjustment expenses required a high degree of auditor judgment and an increased extent of effort, including involvement of our actuarial specialists. Specifically, significant assumptions used by the Company to estimate unpaid claims and claim adjustment expenses involved significant measurement uncertainty, and included expected loss ratios, loss development factors, settlement patterns, and the weighting of actuarial methodologies.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the significant assumptions to estimate the property and casualty liability for unpaid claims and claim adjustment expenses included the following among others:

- Tested the effectiveness of management's controls over the property and casualty liability for unpaid claims and claim adjustment expenses, including those over the development, selection, and implementation of significant assumptions used in the actuarial estimates.
- Evaluated the significant assumptions used by the Company to estimate liabilities for unpaid claims and claims adjustment expenses by performing the following:
  - On a sample basis, tested the completeness and accuracy of the underlying data used to determine assumptions for loss development factors and settlement patterns, including historical claims.
  - With the assistance of our actuarial specialists, evaluated management's estimate of the liability for unpaid claims and claim adjustment expenses by developing a range of independent estimates utilizing loss data and industry claim development factors, and comparing to management's estimates.

Fixed Index Annuity Contracts – Valuation of market risk benefits — Refer to Notes 2, 11 and 19 to the financial statements

Critical Audit Matter Description

Certain of the Company's fixed index annuity and fixed rate annuity contracts provide minimum guarantees to policyholders that meet the definition of Market Risk Benefits ("MRBs"). MRBs are measured at fair value using stochastic models. The actuarial assumptions used in the MRBs calculation are the Company's best estimate assumptions based on a combination of historical data and actuarial judgment. Significant assumptions include utilization of lifetime income benefit riders, option budget, non-performance risk, mortality rates, and lapse rates. MRBs that have a positive fair value are recorded within Other Assets and MRBs that have a negative fair value are recorded within Market Risk Benefits in the consolidated statements of financial position, which had a liability balance of $4.5 billion as of December 31, 2025.

We have assessed the significant judgments used in the determination of certain assumptions used in determination of the fair value of certain MRBs, the related audit effort in evaluating management's selection of the significant assumption related to the lifetime income benefit rider utilization required a high degree of auditor judgment, and an increased extent of effort, including involvement of our actuarial specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the lifetime income benefit rider utilization assumption ("the assumptions") selected by management for the valuation of certain MRBs included the following, among others:

- Tested the effectiveness of management's controls over the valuation of certain MRBs, including management's controls over the development, selection, and implementation of the assumptions used in the estimate.
- Evaluated the methods and assumptions used by the Company to estimate the fair value of certain MRBs by performing the following:
  - Tested the completeness and accuracy of the underlying data used in the determination of the assumptions.
  - Evaluated the reasonableness of the assumptions through the use of our actuarial specialists, drawing upon standard actuarial and industry practices.
  - With the assistance of our actuarial specialists, tested that the assumptions were applied in the Company's valuation model as intended.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
March 25, 2026

We have served as the Company's auditor since 2016.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DEC. 31 US$ MILLIONS, EXCEPT SHARE DATA	Note	2025	2024
Assets			
Available-for-sale fixed maturity securities, at fair value (net of allowance for credit losses of $4 and $27, respectively; amortized cost of $63,157 and $53,651, respectively)	3	**$ 64,209**	$ 53,802
Equity securities, at fair value	4	**7,972**	3,854
Mortgage loans on real estate, at amortized cost (net of allowance for credit losses of $113 and $158, respectively)	5	**11,231**	12,426
Private loans, at amortized cost (net of allowance for credit losses of $181 and $97, respectively)	6	**8,415**	5,204
Investment real estate, at cost (net of accumulated depreciation of $238 and $232, respectively)	7	**3,000**	2,366
Real estate partnerships	7	**4,241**	3,438
Investment funds	8	**8,962**	6,111
Policy loans	11	**234**	276
Short-term investments, at estimated fair value	11	**475**	4,400
Other invested assets	11	**1,305**	1,089
Total investments		**110,044**	92,966
Cash and cash equivalents	11	**13,014**	12,243
Accrued investment income		**892**	860
Deferred policy acquisition costs, deferred sales inducements and value of business acquired	14	**11,683**	10,696
Reinsurance funds withheld	11	**1,435**	1,517
Premiums due and other receivables		**620**	647
Ceded unearned premiums		**352**	520
Deferred tax asset	22	**687**	760
Reinsurance recoverables and deposit assets	17, 19, 20	**12,151**	13,195
Property and equipment (net of accumulated depreciation of $400 and $377, respectively)		**290**	272
Intangible assets (net of accumulated amortization of $237 and $106, respectively)	15	**1,625**	1,690
Goodwill		**783**	783
Other assets	11, 19	**2,783**	2,461
Separate account assets	13	**822**	1,343
Total assets		**157,181**	139,953
Liabilities			
Future policy benefits	17	**16,249**	14,088
Policyholders' account balances	18	**92,992**	83,079
Policy and contract claims	20	**7,277**	7,659
Deposit liabilities		**1,419**	1,502
Market risk benefits	19	**4,536**	3,655
Unearned premium reserve		**1,272**	1,843
Due to related parties	26	**819**	684
Other policyholder funds		**360**	347
Notes payable	8, 11	**205**	189
Corporate borrowings	21	**628**	17
Non-recourse borrowings	21	**4,857**	4,334
Funds withheld for reinsurance liabilities	11	**3,157**	3,392
Other liabilities		**4,671**	4,745
Separate account liabilities	13	**822**	1,343
Total liabilities		**139,264**	126,877
Commitments and contingencies	28		
Equity			
Class A exchangeable and Class B ($21.83 and $22.07 par value, respectively; 65,343,416 and 65,190,774 issued, respectively; 59,970,825 and 62,190,774 outstanding, respectively; 5,372,591 and 3,000,000 of Class A exchangeable shares held in treasury, respectively)	23	**1,334**	1,442
Class C ($1 par value; 272,687,160 and 201,116,647 issued and outstanding, respectively)	23	**12,311**	8,526
Retained earnings		**2,820**	2,054
Accumulated other comprehensive income	24	**1,121**	204
Non-controlling interests		**331**	850
Total equity		**17,917**	13,076
Total liabilities and equity		**$ 157,181**	$ 139,953

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

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS, EXCEPT PER SHARE AMOUNTS	Note	**2025**	2024	2023
Net premiums	12	**$ 4,487**	$ 8,267	$ 4,137
Other policy revenue	12	**790**	781	413
Net investment income	10	**5,819**	4,264	1,809
Investment related gains	10	**485**	369	425
Net investment results from reinsurance funds withheld		**54**	422	128
Total revenues		**11,635**	14,103	6,912
Policyholder benefits and claims incurred	12, 17, 20	**(4,489)**	(8,162)	(3,939)
Interest sensitive contract benefits	12, 18	**(2,072)**	(1,874)	(687)
Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired	14	**(1,418)**	(1,237)	(632)
Change in fair value of insurance-related derivatives and embedded derivatives	9	**(219)**	234	41
Change in fair value of market risk benefits	12, 19	**(725)**	(107)	166
Other reinsurance expenses		**(5)**	(26)	(21)
Operating expenses		**(1,361)**	(1,356)	(777)
Interest expense		**(379)**	(362)	(249)
Total benefits and expenses		**(10,668)**	(12,890)	(6,098)
Net income before income taxes		**967**	1,213	814
Income tax recovery (expense)	22	**(104)**	34	(17)
Net income		**$ 863**	$ 1,247	$ 797
Attributable to:				
Class A exchangeable and Class B shareholders[1]		**$ 16**	$ 14	$ 5
Class C shareholder		**750**	1,200	791
Non-controlling interests		**97**	33	1
		$ 863	$ 1,247	$ 797
Net income per Class C share:				
Basic	25	**$ 3.35**	$ 8.69	$ 10.51

(1) On August 29, 2024, the Company redesignated all of its Class A-1 exchangeable shares into its Class A exchangeable shares. Amounts attributable to Class A exchangeable and Class B shareholders include amounts attributable to Class A-1 exchangeable shareholders prior to the redesignation.

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	Note	2025	2024	2023
Net income		**$ 863**	$ 1,247	$ 797
Other comprehensive income (loss), net of tax:				
Change in net unrealized investment gains		**766**	426	579
Foreign currency translation		**77**	(70)	15
Change in discount rate for future policy benefits	17	**(82)**	123	(268)
Change in instrument-specific credit risk for market risk benefits	19	**186**	(174)	(8)
Defined benefit pension plan adjustment		**(30)**	19	85
Total other comprehensive income	24	**917**	324	403
Comprehensive income		**$ 1,780**	$ 1,571	$ 1,200
Attributable to:				
Class A exchangeable and Class B shareholders[1]		**$ 16**	$ 14	$ 5
Class C shareholder		**1,667**	1,524	1,194
Non-controlling interests		**97**	33	1
		$ 1,780	$ 1,571	$ 1,200

(1) On August 29, 2024, the Company redesignated all of its Class A-1 exchangeable shares into its Class A exchangeable shares. Amounts attributable to Class A exchangeable and Class B shareholders include amounts attributable to Class A-1 exchangeable shareholders prior to the redesignation.

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

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	Class A exchangeable and Class B shareholders[3]			Class C shareholder					
	Share capital	Retained earnings	Total	Share capital	Retained earnings	Accumulated other comprehensive income (loss)	Total	Non-controlling interests[4]	Total equity
Balance as of January 1, 2023	**$ 423**	**$ 9**	**$ 432**	**$ 1,467**	**$ 301**	**$ (523)**	**$ 1,245**	**$ 8**	**$ 1,685**
Net income	—	5	5	—	791	—	791	1	797
Other comprehensive income	—	—	—	—	—	403	403	—	403
Comprehensive income	—	5	5	—	791	403	1,194	1	1,200
Other items:									
Equity issuances	1,173	—	1,173	2,130	—	—	2,130	—	3,303
Non-controlling interest assumed on acquisition	—	—	—	—	—	—	—	137	137
Distributions and redeemable preferred share dividends[1][2]	(5)	—	(5)	—	(154)	—	(154)	—	(159)
Other	(14)	—	(14)	10	(7)	—	3	—	(11)
Total change in the year	1,154	5	1,159	2,140	630	403	3,173	138	4,470
Balance as of December 31, 2023	**$ 1,577**	**$ 14**	**$ 1,591**	**$ 3,607**	**$ 931**	**$ (120)**	**$ 4,418**	**$ 146**	**$ 6,155**
Net income	—	14	14	—	1,200	—	1,200	33	1,247
Other comprehensive income	—	—	—	—	—	324	324	—	324
Comprehensive income	—	14	14	—	1,200	324	1,524	33	1,571
Other items:									
Equity issuances	1	—	1	4,919	—	—	4,919	4	4,924
Non-controlling interest assumed on acquisition	—	—	—	—	—	—	—	713	713
Distributions and redeemable preferred share dividends[1][2]	(14)	—	(14)	—	(105)	—	(105)	(46)	(165)
Acquisition of treasury shares, net	(122)	—	(122)	—	—	—	—	—	(122)
Total change in the year	(135)	14	(121)	4,919	1,095	324	6,338	704	6,921
Balance as of December 31, 2024	**$ 1,442**	**$ 28**	**$ 1,470**	**$ 8,526**	**$ 2,026**	**$ 204**	**$ 10,756**	**$ 850**	**$ 13,076**
Net income	—	16	16	—	750	—	750	97	863
Other comprehensive income	—	—	—	—	—	917	917	—	917
Comprehensive income	—	16	16	—	750	917	1,667	97	1,780
Other items:									
Equity issuances	6	—	6	3,785	—	—	3,785	299	4,090
Redemptions to non-controlling interests	—	—	—	—	—	—	—	(828)	(828)
Distributions[1][2]	(16)	—	(16)	—	—	—	—	(87)	(103)
Acquisition of treasury shares, net	(98)	—	(98)	—	—	—	—	—	(98)
Total change in the year	(108)	16	(92)	3,785	750	917	5,452	(519)	4,841
Balance as of December 31, 2025	**$ 1,334**	**$ 44**	**$ 1,378**	**$ 12,311**	**$ 2,776**	**$ 1,121**	**$ 16,208**	**$ 331**	**$ 17,917**

(1) Distributions per share amounts have been adjusted to reflect a three-for-two stock split completed on October 9, 2025.

(2) In 2023, the Company distributed $0.04 in the form of a return of capital per each Class A exchangeable and Class B share in each quarter and $0.04 in the form of a return of capital per each Class A-1 exchangeable share in the fourth quarter. In 2024, the Company distributed $0.05 in the form of a return of capital per each Class A exchangeable and Class B share in each quarter and $0.05 in the form of a return of capital per each Class A-1 exchangeable share in the first two quarters prior to its redesignation to Class A exchangeable share. In 2025, the Company distributed $0.06 in the form of a return of capital per each Class A exchangeable and Class B share in each quarter.

(3) On August 29, 2024, the Company redesignated all of its Class A-1 exchangeable shares into its Class A exchangeable shares. Equity amounts attributable to Class A exchangeable and Class B shareholders include amounts attributable to Class A-1 exchangeable shareholders prior to the redesignation. For further details, refer to Note 23.

(4) Adjusted to present the issuance and redemption of capital to non-controlling interests separately.

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

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CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
Operating activities			
Net income	**$ 863**	$ 1,247	$ 797
Adjustments to reconcile net income to net cash from operating activities:			
Other policy revenue	**(790)**	(781)	(413)
Accretion on investments	**(758)**	(597)	(216)
Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired	**1,418**	1,237	632
Deferral of policy acquisition costs	**(1,632)**	(1,332)	(1,121)
Gains on investments and derivatives	**(733)**	(1,071)	(604)
Provisions for credit losses	**21**	123	24
Income from real estate partnerships, investment funds and corporations	**(744)**	(354)	(190)
Distributions from real estate partnerships, investment funds and corporations	**499**	499	91
Interest credited to policyholders' account balances	**2,072**	2,204	633
Change in fair value of embedded derivatives	**503**	63	249
Depreciation and amortization	**218**	206	50
Deferred income taxes	**21**	(150)	12
Changes in operating assets and liabilities:			
Insurance-related liabilities	**888**	2,503	3,341
Deposit liabilities	**(95)**	(20)	(100)
Funds withheld under reinsurance	**(175)**	(291)	(1,450)
Reinsurance recoverables and deposit assets	**1,280**	1,186	186
Accrued investment income	**(60)**	(148)	78
Working capital and other	**(182)**	45	(492)
Cash flows from operating activities	**2,614**	4,569	1,507
Investing activities			
Acquisition of subsidiary, net of cash acquired	**—**	10,843	(346)
Disposition of business, net of cash disposed	**—**	—	72
Purchase of investments:			
Available-for-sale fixed maturity securities	**(19,069)**	(15,323)	(4,764)
Equity securities	**(480)**	(709)	(636)
Mortgage loans on real estate	**(1,801)**	(2,180)	(566)
Private loans	**(3,280)**	(3,527)	(535)
Investment real estate and real estate partnerships	**(1,480)**	(2,377)	(1,359)
Investment funds	**(3,694)**	(517)	(808)
Short-term investments	**(12,162)**	(18,191)	(18,012)
Other invested assets	**(321)**	(265)	(19)
Proceeds from sales and maturities of investments:			
Available-for-sale fixed maturity securities	**10,750**	11,836	5,871
Equity securities	**358**	145	174
Mortgage loans on real estate	**3,043**	2,324	671
Private loans	**1,366**	1,065	542
Investment real estate and real estate partnerships	**218**	336	102
Investment funds	**598**	514	235
Short-term investments	**15,797**	16,812	17,699
Other invested assets	**224**	102	39
Purchases of derivatives	**(1,183)**	(627)	(238)
Proceeds from sales and maturities of derivatives	**1,135**	1,315	66
Purchase of intangibles and property and equipment	**(69)**	(40)	(135)
Proceeds from sales of intangibles and property and equipment	**—**	34	91
Change in collateral held for derivatives	**283**	(79)	243
Other	**95**	(58)	(196)
Cash flows from investing activities	**(9,672)**	1,433	(1,809)

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
Financing activities			
Return of capital to common stockholders	**(112)**	(14)	(5)
Borrowings from related parties	**127**	1,994	614
Repayment of borrowings to related parties	**(41)**	(2,241)	(297)
Borrowings from external parties	**4,373**	4,728	2,242
Repayment of borrowings to external parties	**(3,234)**	(4,546)	(2,729)
Borrowings issued to reinsurance entities	**3**	63	—
Repayment of borrowings issued to reinsurance entities	**(27)**	(129)	—
Policyholders' account deposits	**17,650**	10,865	4,920
Policyholders' account withdrawals	**(10,299)**	(8,753)	(2,281)
Debt issuance costs	**(14)**	(4)	—
Proceeds from repurchase agreement	**106**	364	313
Repayments of repurchase agreement	**(106)**	(363)	(313)
Issuance of capital to non-controlling interests[1]	**299**	4	1
Redemptions to non-controlling interests[1]	**(828)**	—	—
Distributions to non-controlling interests	**(87)**	(46)	—
Cash flows from financing activities	**7,810**	1,922	2,465
Cash and cash equivalents			
Cash and cash equivalents, beginning of year	**12,243**	4,308	2,145
Net change during the year	**752**	7,924	2,163
Foreign exchange on cash balances held in foreign currencies	**19**	11	—
Cash and cash equivalents, end of year	**$ 13,014**	$ 12,243	$ 4,308
Supplementary cash flow disclosure			
Cash taxes paid (net of refunds received) – See Note 22	**$ 35**	$ (28)	$ 68
Cash interest paid	**246**	318	123
Non-cash transactions:			
Investments received in connection with pension risk transfer transactions	**175**	2,292	—
Investments received in relation to the issuance of common stock	**3,785**	2,119	—
Investments received in connection with the sale of investment funds	**786**	—	—
Equity securities transferred as consideration paid for acquisition of a subsidiary	**—**	1,111	—

(1) Adjusted to present the issuance and redemption of capital to non-controlling interests separately.

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

NOTE 1. NATURE OF OPERATIONS

Brookfield Wealth Solutions Ltd. ("**Brookfield Wealth Solutions**") is a Bermuda corporation incorporated on December 10, 2020 and governed by the laws of Bermuda. References in these financial statements to "we", "our", "us" or "the Company" refer to Brookfield Wealth Solutions and its subsidiaries, whereas references to "Brookfield" refer to Brookfield Corporation and its subsidiaries. The Company's class A exchangeable shares are listed on the New York Stock Exchange ("**NYSE**") and the Toronto Stock Exchange ("**TSX**") under the symbol "BNT". Our operations are located primarily in Bermuda, the United States ("**U.S.**"), Canada, the Cayman Islands and the United Kingdom ("**U.K.**"). The Company's registered head office address is Ideation House, First Floor, 94 Pitts Bay Road, Pembroke, HM08, Bermuda.

Our company is focused on securing the financial futures of individuals and institutions through a range of retirement services, wealth protection products and tailored capital solutions. Through our direct 100% ownership interest in BWS Holdings Ltd. ("**BWS Holdings**"), we hold the interest in our operating subsidiaries, which are: American National Group Inc. ("**ANGI**"), Clearbrook Group Holdings Inc. ("**Clearbrook**", renamed from Argo Group International Holdings, Inc. in January 2026), Blumont Annuity Company ("**BAC Canada**"), Blumont Annuity Company UK Ltd ("**BAC UK**"), North End Re Ltd. ("**NER Ltd.**") and North End Re (Cayman) SPC ("**NER SPC**"). The Company's reporting segments are Annuities, Property and Casualty ("**P&C**"), Life Insurance and Corporate and Other. For segment information, refer to Note 27.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements ("**financial statements**") and notes thereto, including all prior periods presented, have been prepared under accounting principles generally accepted in the United States of America ("**GAAP**"). The financial statements are prepared on a going concern basis and have been presented in U.S. dollars ("**USD**") rounded to the nearest million unless otherwise indicated.

The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Included among the material (or potentially material) reported amounts and disclosures that require the use of estimates are fair value of certain financial assets, value of business acquired ("**VOBA**"), future policy benefits ("**FPB**"), market risk benefits ("**MRB**"), valuation of embedded derivatives in policyholders' account balances ("**PAB**"), policy and contract claims, deferred income taxes including the recoverability of deferred tax assets. Such estimates and assumptions are subject to inherent uncertainties, which may result in actual amounts differing from reported amounts.

Adoption of New Accounting Standards

During the year, the Company adopted the following Accounting Standard Updates ("**ASU**"), issued by the Financial Accounting Standards Board ("**FASB**"). ASUs not listed below were assessed and determined to be either not applicable or insignificant in presentation or amount.

ASU 2023-09 – On December 14, 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments in this ASU aim to enhance the transparency and decision-usefulness of income tax disclosures, particularly in the rate reconciliation table and disclosures about income taxes paid. Among other things, it requires, on an annual basis, the disclosure of the following: (i) specific categories in the rate reconciliation; (ii) additional information for reconciling items that meet a quantitative threshold; (iii) the amount of income taxes paid disaggregated by federal, state, and foreign taxes; and (iv) the amount of income taxes paid disaggregated by individual jurisdictions in which income taxes paid is equal to or greater than 5 percent of total income taxes paid. This ASU was effective for annual reporting periods beginning after December 15, 2024 to be applied prospectively with an option for retrospective application, with early adoption permitted. As a result of adopting this ASU prospectively, we added additional information in our income tax disclosure. See Note 22.

Basis of Consolidation

These financial statements include the accounts of the Company and its consolidated subsidiaries, which are legal entities where the Company has a controlling financial interest by either holding a majority voting interest or as the primary beneficiary of the variable interest entity ("**VIE**"). All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

For a legal entity in which the Company holds a variable interest, the Company first considers whether it meets the definition of a VIE and therefore should apply the guidance under the VIE model. An entity is a VIE if any one of the following conditions exist: (a) the total equity investment at risk is not sufficient for the legal entity to finance its activities without additional subordinated financial support; (b) the holders of the equity investment at risk as a group lack either the power to direct the most significant activities of the entity, the obligation to absorb the expected losses, or the right to receive the expected residual returns; or (c) the entity is structured with non-substantive voting rights, where the voting rights of some investors are disproportionate to their obligation to absorb the expected losses of the legal entity, their rights to receive the expected residual returns of the legal entity, or both and substantially all of the entity's activities either involve or are conducted on behalf of the investor with disproportionately few voting rights.

The Company consolidates all VIEs for which it is the primary beneficiary, which is the case when the Company has both (a) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Entities that are determined not to be VIEs are voting interest entities ("**VOEs**"), which are evaluated under the voting interest model, under which a controlling financial interest is established through a majority voting interest or through other means.

The consolidation assessment, including the determination as to whether an entity qualifies as a VIE or VOE, depends on the specific facts and circumstances for each entity and requires judgment.

Accounting Policies

Class A exchangeable shares: the Company's equity interests include the class A exchangeable shares held by public shareholders. Subject to applicable law, quarterly cash distributions may be made in the form of a dividend or a capital reduction resulting in a return of capital or a combination thereof. Each class A exchangeable share is structured with the intention of providing an economic return equivalent to one Brookfield Class A Share due to each exchangeable share (i) being exchangeable at the option of the holder for one Brookfield Class A Share or its cash equivalent (the form of payment to be determined at the election of Brookfield Corporation), subject to certain limitations, and (ii) receiving distributions at the same time and in the same amounts as dividends on the Brookfield Class A Shares. Each class A exchangeable share is exchangeable with Brookfield at the option of the holder for one Brookfield Class A Share (subject to adjustment to reflect certain capital events) or its cash equivalent (the form of payment to be determined at the discretion of Brookfield), plus unpaid distributions.

Each class A exchangeable share, held on the record date, has voting rights and is entitled to cast one vote at a meeting of shareholders of the Company.

The class A exchangeable shares are classified as equity instruments. The class A exchangeable shares are issued capital of the Company and as a result are not adjusted for changes in market value. As class A exchangeable shares rank in priority to the class C shares, they are not considered common stock of the Company.

Prior to its redesignation into Class A exchangeable shares on August 29, 2024, the Company's equity interest included the class A-1 exchangeable non-voting shares held by public shareholders, which were classified as equity instruments. The class A-1 exchangeable shares were issued capital of the Company and as a result were not adjusted for changes in market value. As class A-1 exchangeable shares ranked in priority to the class C shares, they were not considered common stock of the Company.

Class B shares: the Company's equity interests include the class B shares held by the BNT Partners Trust. Subject to applicable law, quarterly cash distributions may be made in the form of a dividend or a capital reduction resulting in a return of capital or a combination thereof. Distributions on the class B shares will be paid, or in the case of a distribution made pursuant to a capital reduction, will be returned, in each case, at the same time and in the same amount per share as dividends on a Brookfield Class A Shares. The BNT Partners Trust is entitled to one vote on any matter and can cast one vote for each class B share held at the record date.

The class B shares are classified as equity instruments. The class B shares are issued capital of the Company and as a result are not adjusted for changes in market value. As class B shares rank in priority to the class C shares, they are not considered common stock of the Company.

Class C shares: the Company's equity interests include the class C shares held by Brookfield. The class C shares are non-voting shares that are entitled to the residual economic interest in the Company after payment in full of the amount due to holders of our class A and A-1 exchangeable shares and our class B shares and subject to the prior rights of holders of the class A redeemable junior preferred shares.

The class C shares are classified as equity instruments. The class C shares are issued capital of the Company and as a result are not adjusted for changes in market value.

Class A redeemable junior preferred shares: These redeemable junior preferred shares are non-voting and entitle the holders thereof to a fixed cumulative 4.5% preferential cash dividend payable annually as and when declared by the issuer's board of directors.

Each of these junior preferred shares is redeemable at the option of the holder at any point on or after the 50th anniversary of the date of issue at $25 plus accrued and unpaid dividends, subject to certain restrictions. These junior preferred shares are also convertible into the Company's class C shares at a conversion rate equal to $25 plus accrued and unpaid dividends divided by the then fair market value of a class C share. Due to the holder redemption option, these junior preferred shares have been classified as mezzanine equity, measured at their redemption value at each reporting date on the consolidated statements of financial position ("**statements of financial position**"). The dividends are recognized as a reduction of retained earnings in the consolidated statements of changes in equity ("**statements of equity**").

On December 6, 2024, Brookfield, as the sole holder of our class A redeemable junior preferred shares, exercised its right to convert all outstanding class A redeemable junior preferred shares into 53,947,528 class C shares. As of December 31, 2025 and 2024, there were no class A redeemable junior preferred shares issued and outstanding.

Business combinations are accounted for using the acquisition method. The purchase consideration of a business acquisition is measured at the aggregate of the fair values at the date of exchange of assets transferred, liabilities incurred, and equity instruments issued in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair values at the acquisition date. The interest of non-controlling shareholders in the acquiree, if applicable, is initially measured at the non-controlling shareholders' proportion of the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

To the extent the fair value of consideration paid exceeds the fair value of the net identifiable tangible and intangible assets, the excess is recorded as goodwill.

Transaction costs are recorded as operating expenses on the consolidated statements of operations ("**statements of operations**").

Available-for-sale fixed maturity securities primarily include bonds, asset backed securities ("**ABS**") and private debt securities. Available-for-sale fixed maturity securities, which may be sold prior to their contractual maturity, are classified as available-for-sale ("**AFS**") and are carried at fair value with changes in fair value recognized in other comprehensive income, except for those that are designated as hedged items in a fair value hedge, for which changes in fair value are recognized during the period of the hedge in "Investment related gains (losses)" within the statements of operations.

For available-for-sale fixed maturity securities in an unrealized loss position, the Company first assesses whether it intends to sell the security or will be required to sell the security before recovery of its amortized cost basis. If either of these criteria are met, the security's amortized cost basis is written down to fair value through income in "Investment related gains (losses)" within the statements of operations. Refer to "Credit loss allowances and impairments" within this note for impairment or credit loss-related considerations.

Equity securities primarily include common stock, preferred stock and private equity. Equity securities are carried at fair value with changes in fair value recognized in "Investment related gains (losses)" within the statements of operations, except for certain private equities that are carried at cost less impairment, if any, due to the lack of their readily determinable fair values.

Mortgage loans on real estate and private loans are both measured at amortized cost using the effective interest rate method. The amortized cost basis includes the unamortized principal, interest, discounts or premiums and deferred expenses, net of allowances for expected credit loss. Interest income, prepayment fees, amortization of premiums and origination fees and accrual of discounts are reported in "Net investment income" in the statements of operations. However, interest ceases to accrue for loans that are impaired or in default, which is when payments are more than 90 days past due, when collection is not probable, or when a loan is in foreclosure. When a loan is placed on non-accrual status, uncollected past due accrued interest income that is considered uncollectible is charged off against net investment income. Income on impaired loans is reported on a cash basis. When collection of the impaired loan becomes probable again, it is placed back into accrual status. Cash receipts on impaired loans are recorded as a reduction of principal, interest income, expense reimbursement, or other manner in accordance with the loan agreement. In the statements of operations, gains and losses from the sale of loans and changes in allowances are reported in "Investment related gains (losses)" within the statements of operations.

Mortgage loans and private loans are both presented net of the Company's recorded allowance for expected credit loss, which represents the portion of amortized cost basis that the Company does not expect to collect. Refer to "Credit loss allowances and impairments" within this note.

Policy loans are carried at the outstanding balance plus any accrued interest. Due to the collateralized nature of policy loans such that they cannot be separated from the policy contracts, the unpredictable timing of repayments and the fact that settlement is at outstanding value, the carrying value of policy loans approximates fair value.

Investment real estate is stated at cost less accumulated depreciation and includes certain residential investment real estate through consolidation of investment company VIEs in accordance with ASC 946, Financial Services – Investment Companies ("**ASC 946**"), which are reported at fair value with the change in fair value on these investments reported in "Net investment income" within the statement of operations. Fair values of residential investment real estate are initially based on the cost to purchase the properties and subsequently determined using broker price opinions.

The Company periodically reviews its investment real estate for impairment and tests properties for recoverability whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable and the carrying value of the property exceeds its estimated fair value. Properties whose carrying values are greater than their undiscounted cash flows are written down to their estimated fair value, with the impairment loss included as an adjustment to "Investment related gains (losses)" in the statements of operations. Impairment losses are based upon the estimated fair value of real estate, which is generally computed using the present value of expected future cash flows from the real estate discounted at a rate commensurate with the underlying risks as well as other appraisal methods. Real estate acquired upon foreclosure is recorded at the lower of its cost or its estimated fair value at the date of foreclosure.

The Company classifies a property as held-for-sale if it commits to a plan to sell a property within one year and actively markets the property in its current condition for a price that is reasonable in comparison to its estimated fair value. Real estate held-for-sale is stated at the lower of depreciated cost or estimated fair value less expected disposition costs and is not depreciated while it is classified as held-for-sale.

Real estate partnerships are comprised of real estate joint ventures and other limited partnerships and include VIEs that are accounted for using the equity method of accounting. For certain real estate joint ventures and other limited partnerships, the Company elected the fair value option in accordance with ASC 825, Financial Instruments ("**ASC 825**") as accounting for such investments at fair value is consistent with how the Company manages and evaluates them. These investments are fair valued on a recurring basis with the change in fair value reported in "Net investment income" in the statements of operations. In addition, certain other real estate joint ventures and limited partnership interest are consolidated investment company VIEs. These investments are fair valued on a recurring basis with the change in fair value reported in "Net investment income".

The Company routinely evaluates its investments in those investees for impairment. The Company considers financial and other information provided by the investee, other known information and inherent risks in the underlying investments, as well as future capital commitments, in determining whether impairment has occurred. When an impairment is deemed to have occurred at the joint venture level, the Company recognizes its share as an adjustment to "Net investment income" to record the investment at its fair value. When an impairment results from the Company's separate analysis, an adjustment is made through "Investment related gains (losses)" to record the investment at its fair value.

Investment funds are comprised of certain non-fixed income, alternative investments in the form of limited partnerships or similar legal structures for which the Company is not the primary beneficiary and therefore is not required to consolidate. The Company typically accounts for investment funds using the equity method of accounting unless our interest is so minor that we have virtually no influence over partnership operating or financial policies. In addition, the Company has concluded that it is the primary beneficiary for certain investments funds, which are investment company funds in scope of ASC 946 and consolidate the underlying funds. Fair value valuation methods include net asset value ("**NAV**") as a practical expedient and discounted cash flow models for certain investment funds where we elected the fair value option under ASC 825 or fair valued due to the consolidation of an investment company VIE under ASC 946. We elected the fair value option under ASC 825 for certain investment funds as accounting for such investments at fair value is consistent with how we manage and evaluate them. Income may be reported on a quarter lag due to the availability of the related financial statements of these investment funds. Investment funds also include our investment in equity securities accounted for using the equity method of accounting due to our ability to exercise significant influence.

Policy loans are carried at the outstanding balance plus any accrued interest. Due to the collateralized nature of policy loans such that they cannot be separated from the policy contracts, the unpredictable timing of repayments and the fact that settlement is at outstanding value, the carrying value of policy loans approximates fair value.

Short-term investments include highly liquid securities and other investments with original maturities of over 90 days and less than one year at the date of acquisition. Securities included within short-term investments are stated at fair value with amortized cost used as an approximation of fair value for certain investments.

Other invested assets are primarily comprised of derivatives assets, net of qualifying collaterals held. Federal Home Loan Bank ("**FHLB**") stock, as well as separately managed accounts which are portfolios of individual securities, such as stocks or bonds, that are managed on behalf of the Company by an investment manager, are also included in other invested assets and are carried at cost or market value if available from the account manager. Other invested assets also include financing receivables, residual tranche investments, company owned life insurance ("**COLI**"), tax credit partnerships. The Company elected the fair value option under ASC 825 for its residual tranche investments as accounting for such investments at fair value is consistent with how the Company manages and evaluates them.

Derivative instruments include call options used to fund fixed indexed annuity contracts and equity-indexed universal life contracts ("**insurance-related derivatives**") as well as other derivative instruments purchased to manage foreign currency exposure and other market risks associated with certain assets and liabilities. Derivative instruments are recorded at fair value on the acquisition date and subsequently revalued at fair value at each reporting date. Derivative instruments with positive values are recorded as derivative assets within "Other invested assets" and derivative instruments with negative fair values are reported as derivative liabilities within "Other liabilities" in the statements of financial position. If a derivative is not designated for hedge accounting, changes in the fair value of derivatives are recorded in "Investment related gains (losses)" in the statements of operations, except for insurance-related derivatives, whose fair value changes are recorded in "Change in fair value of insurance-related derivatives and embedded derivatives", along with fair value changes from embedded derivatives on related fixed indexed annuity and equity-indexed universal life contracts.

Where the Company has a master netting agreement with its counterparty that allows for the netting of the Company's derivative asset and liability positions, the Company elects to offset such derivative assets and liabilities and present them on a net basis on the statements of financial position. Further, in some instances, the Company holds collateral to offset exposure from, or pledges collateral to offset exposure to, its counterparties relating to its derivative instruments. The Company elects to offset collateral supporting credit risk that is restricted to the Company's use for the derivative exposure when a master netting arrangement is in place and all offsetting criteria are met.

Hedge accounting

To qualify for hedge accounting, at the inception of the hedging relationship, the Company formally documents its risk management objective and strategy for undertaking the hedging transaction, as well as its designation of the hedge. In its hedge documentation, the Company identifies (i) how the hedging instrument is expected to hedge the designated risks related to the hedged item; (ii) the method that will be used to retrospectively and prospectively assess the hedge effectiveness; and (iii) the method which will be used to measure ineffectiveness. A derivative designated as a hedging instrument must be assessed as being highly effective in offsetting the designated risk of the hedged item. Hedge effectiveness is formally assessed at inception and at each reporting period throughout the life of the hedge accounting relationship.

The Company applies fair value hedge accounting treatment to certain of its qualifying derivative instruments in relation to foreign currency risks of certain available-for-sale fixed maturity securities as well as interest rate risks related to certain funding agreements. Under a fair value hedge, the changes in the fair value of of the hedging derivative and changes in the fair value of the hedged items related to the designated risk being hedged are reported on the statements of operations in the same line item. When the hedged items are available-for-sale fixed maturity securities, changes in fair value of the hedged items that relate to the designated risk are recognized in earnings instead of other comprehensive income, and the carrying values of the hedged items are not remeasured.

The Company discontinues hedge accounting prospectively when: (i) it is determined that the derivative is no longer highly effective in offsetting changes in the estimated fair value of a hedged item; (ii) the derivative expires, is sold, terminated or exercised; or (iii) the derivative is de-designated as a hedging instrument. When hedge accounting is discontinued, the derivative continues to be carried at fair value on the statements of financial position, with changes in the fair value recognized in “Investment related gains (losses)” in the statements of operations.

Credit loss allowances and impairments

Available-for-sale fixed maturity securities

For available-for-sale fixed maturity securities in an unrealized loss position, if the Company does not intend to sell the security or will not be required to sell the securities before recovery of its amortized cost basis, the Company evaluates whether the decline in fair value has resulted from credit loss or market factors.

The Company determines whether an allowance for credit loss should be established for fixed maturity securities by assessing all facts and circumstances surrounding each security. Where the decline in fair value of fixed maturity securities is attributable to changes in market interest rates or to factors such as market volatility, liquidity and spread widening, and we anticipate recovery of all contractual or expected cash flows, we do not consider these securities to have credit loss because we do not intend to sell these securities, and it is not more likely than not we will be required to sell these securities before a recovery of amortized cost, which may be maturity.

If we intend to sell a fixed maturity security or if it is more likely than not that we will be required to sell a security before recovery of its amortized cost basis, credit loss has occurred and the difference between amortized cost and fair value will be recognized as a loss in the statements of operations.

If we do not intend to sell and it is not more likely than not we will be required to sell the fixed maturity security but also do not expect to recover the entire amortized cost basis of the security, a credit loss would be recognized in the amount of the expected credit loss in the statements of operations. We determine the amount of expected credit loss by calculating the present value of the cash flows expected to be collected discounted at each security’s acquisition yield based on our consideration of whether the security was of high credit quality at the time of acquisition.

An allowance for credit losses is recorded through income in “Investment related gains (losses)” limited to the amount fair value is less than amortized cost. If the fair value is less than the net present value of its expected cash flows at the impairment measurement date, a non-credit loss exists which is recorded in other comprehensive income (loss) for the difference between the fair value and the net present value of the expected cash flows.

Expected credit losses

The Company records an allowance for credit loss in earnings within “Investment related gains (losses)” in an amount that represents the portion of the amortized cost basis of mortgage and private loans that we do not expect to collect, resulting in the loans being presented at the net amount expected to be collected. In determining the our credit loss allowances, management applies significant judgment to estimate expected lifetime credit loss, including: (i) pooling loans that share similar risk characteristics; (ii) considering expected lifetime credit loss over the contractual term of its loans adjusted for expected prepayments and any extensions; and (iii) considering past events and current and forecasted economic conditions. The allowance is calculated quarterly for each loan type based on its unique inputs. The Company uses the discounted cash flow model to assess expected credit loss.

Mortgage loans – On an ongoing basis, mortgage loans with dissimilar risk characteristics (i.e., loans with significant declines in credit quality) and collateral dependent mortgage loans (i.e., when the borrower is experiencing financial difficulty, including when foreclosure is probable) may be evaluated individually for credit loss.

The valuation allowances for each of our mortgage loan portfolios are estimated by deriving probability of default and recovery rate assumptions based on the characteristics of the loans in each portfolio, historical economic data and loss information, and current and forecasted economic conditions. Key loan characteristics impacting the estimate for our commercial mortgage loan portfolio include the current state of the borrower's credit quality, which considers factors such as loan-to-value ("**LTV**") and debt service coverage ratios ("**DSCR**"), loan performance, underlying collateral type, delinquency status, time to maturity, and original credit scores. Key loan characteristics impacting the estimate for our agricultural and residential mortgage loan portfolios include the current state of the borrowers' credit quality, delinquency status, time to maturity and original credit scores.

The allowance for a collateral dependent loan, which is typically a mortgage loan, is established as the excess of amortized cost over the estimated fair value of the loan's underlying collateral, less selling cost when foreclosure is reasonably possible or probable. Accordingly, the change in the estimated fair value of collateral dependent loans is recorded as a change in the allowance for credit losses which is recorded on a quarterly basis as a charge or credit to earnings.

The Company's mortgage loans are primarily originated and are not purchased in the secondary market; as such, the mortgage loans would not generally be subject to purchased credit deteriorated considerations. For any purchased mortgage loans, the Company performs an analysis that includes both qualitative and quantitative considerations to determine whether any purchases have had more-than-insignificant credit deterioration since origination.

Private loans – For private loans, credit loss allowances are estimates of expected credit losses, established for loans upon origination or purchase, considering all relevant information available, including past events, current conditions, and reasonable and supportable forecasts over the life of the loans. The estimates of expected credit losses are developed using a quantitative probability of default and loss given default methodology, in which default assumptions reflect applicable agency credit ratings or, when such external credit ratings are not available, internally developed ratings. Loans are evaluated on a pooled basis when they share similar risk characteristics; otherwise, they are evaluated individually.

Cash and cash equivalents have durations that do not exceed 90 days at the date of acquisition, include cash on-hand and in banks, as well as amounts invested in money market funds.

Accrued investment income is presented separately on the statements of financial position and excluded from the carrying value of the related investments, primarily available-for-sale fixed maturity securities and mortgage loans. The Company has made an accounting policy election not to measure an allowance for credit losses for accrued interest receivable on amortized cost investments and to directly write off the uncollectible balance.

Reinsurance funds withheld are receivable for amounts contractually withheld by ceding companies in accordance with reinsurance agreements in which the subsidiaries of the Company act as reinsurers. The receivable represents assets that are held in custodial accounts that are legally segregated from the third-party ceding companies' general accounts and are managed by our subsidiaries. The assets are typically cash and cash equivalents and fixed income asset types. In the event of ceding companies' insolvency, the subsidiaries would need to assert a claim on the assets supporting the reserve liabilities. However, the subsidiaries have the ability to offset amounts owed to the ceding companies. Interest generally accrues on these assets based upon the investment earnings on the underlying investments. The subsidiaries are subject to the investment performance and have all economic rights and obligations on the funds withheld assets, in a fashion similar to the invested assets held directly by the subsidiaries. The underlying agreements contain embedded derivatives. Derivatives embedded in reinsurance contracts which are not closely related to the host contract are separated and measured at fair value in the statements of financial position and presented within "Reinsurance funds withheld". Changes in the fair value are included in the "Net investment results from funds withheld" in the statements of operations.

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The costs of assets include the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

Depreciation of property and equipment commences when it is available for use. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of each component of the property and equipment. The estimated useful lives of the property and equipment are three to 30 years.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, on a straight-line basis. The right-of-use asset is depreciated on the straight-line basis over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period, with the effect of any changes recognized on a prospective basis.

Intangible assets are primarily from the acquisition of American National, Clearbrook and AEL. Definite-lived intangible assets include distribution relationships, trade names and an unpaid claims reserve intangible asset, as well as other intangible assets such as capitalized software and leases. Indefinite-lived intangible assets represent insurance licenses.

(i) *Distributor relationships*

The distribution assets reflect relationships American National, Clearbrook, and AEL have with their respective third-party intermediaries that generate new business for the Company. These assets were valued using the multi-period excess-earnings method, which derives value based on the present value of the after-tax cash flows attributable to the intangible asset only. The useful life of distributor relationships ranges approximately from 15 to 30 years from the date of acquisition.

(ii) *Trade names*

This represents trade names of American National, Clearbrook, and AEL and was valued using the relief from royalty method, which derives value based on present value of the after-tax royalty savings attributable to owning the intangible asset. The useful life of the trade name is ten years for American National and AEL and five years for Clearbrook from the date of each acquisition.

(iii) *Unpaid claims reserve intangible asset*

As part of the acquisition of Clearbrook in November 2023, we recognized an intangible asset that represents the difference between the liability for unpaid claims and claim adjustment expenses ("**CAE**") measured in accordance with the acquiring company's accounting policies and the estimated fair value of such liability at the acquisition date. Unpaid claims reserve intangible asset is amortized based on the payout pattern of the acquired liability for unpaid claims and CAE.

(iv) *Insurance licenses*

Given the highly regulated nature of the insurance industry, companies are required to hold certain licenses to operate. These licenses are valued using the comparable transaction method based on observable license transactions in the insurance industry. Insurance licenses represent an indefinite-lived intangible asset.

Deferred policy acquisition costs ("DAC") and **deferred sales inducements ("DSI")** are capitalized costs related directly to the successful acquisition of new or renewal insurance contracts. Significant costs are incurred to successfully acquire insurance, reinsurance and annuity contracts, including commissions and certain underwriting, premium bonus, policy issuance and processing expenses. DSI is amortized on a constant level basis over the amortization bases selected by product, consistent with the amortization of DAC for a related product, as shown below:

Product(s)	Amortization base
Traditional life products	Nominal face amount
Life contingent payout annuities	Annualized benefit amount in force
Health products	Original annual premium
Fixed deferred annuities, fixed index annuities, variable annuities	Policy count
Universal life products	Initial face amount
Property and casualty	Earned premium

The assumptions used in the calculation for DAC and DSI are impacted by the changes in actuarial assumptions as a result of assumption reviews and updates for associated actuarial liabilities, which include full surrenders, partial withdrawals, mortality, utilization, premium persistency, reset assumptions associated with lifetime income benefit riders and the option budget assumption. The Company reviews and updates actuarial experience assumptions serving as inputs to the models that establish the expected life for DAC and other actuarial balances during the third quarter of each year, or more frequently if evidence suggests assumptions should be revised. The Company makes model refinements as necessary, and any changes resulting from these assumption updates are applied prospectively.

Amortization of DAC and DSI is included in the "Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired" on the statements of operations.

For short-duration contracts, DAC is grouped consistent with the manner in which insurance contracts are acquired, serviced and measured for profitability and is reviewed for recoverability based on the profitability of the underlying insurance contracts. Investment income is anticipated in assessing the recoverability of DAC for short-duration contracts.

Reinsurance recoverables and deposit assets include the reinsurance receivables from cedants or reinsurers, reinsurance recoverables from reinsurers, and deposit assets associated with reinsurance agreements.

For long term duration contracts, each reinsurance agreement is assessed to determine whether the agreement transfers significant insurance risk to the reinsurer. If insurance risk is transferred, the Company utilizes the reinsurance method of accounting. If the agreement does not transfer significant insurance risk, the Company utilizes the deposit method of accounting. The reinsurance recoverables and deposit assets include deposit assets, reinsurance MRB, amounts due from reinsurers for paid or unpaid claims, claims incurred but not reported ("**IBNR**"), PAB and FPB. The reinsurance recoverables are presented net of a reserve for collectability. The Company has ceded disability, medical and long-term care insurance, annuity contracts including lifetime income benefit riders, as well as pension risk transfer ("**PRT**") contracts with significant insurance risk to other insurance companies through reinsurance. The Company also cedes annuity contracts without significant insurance risk to other insurance companies.

For short term duration contracts, reinsurance recoverables are the estimated amount due to the Company from reinsurers related to paid and unpaid ceded claims and claim adjustment expenses (“**CAE**”) and are presented net of a reserve for collectability. Recoveries of gross ultimate losses under the non-catastrophe reinsurance are estimated by a review of individual large claims and the ceded portion of IBNR claims using assumed distribution of loss by percentage retained. Recoveries of gross ultimate losses under the Company’s catastrophe reinsurance are estimated by applying reinsurance treaty terms to estimates of gross ultimate losses. The most significant assumption is the average size of the individual losses for those claims that have occurred but have not yet been reported and the estimate of gross ultimate losses. The ultimate amount of the reinsurance ceded recoverable is unknown until all losses settle.

Reinsurance receivables include amounts receivable from third party reinsurers and cedants. The reinsurance receivables which will be settled within a year are short-term in nature, and their fair values approximate carrying value. Reinsurance receivables include future installment payments for ceding commissions on reinsured annuity contracts. The receivable is recorded at the net present value of the installment payments.

Value of business acquired (“VOBA”) is an intangible asset or liability resulting from a business combination that represents the difference between the policyholder liabilities measured in accordance with the acquiring company’s accounting policies and the estimated fair value of the same acquired policyholder liabilities in-force at the acquisition date. VOBA can be either positive or negative. Positive VOBA is recorded in the “Deferred policy acquisition costs, deferred sales inducements and value of business acquired” line in the statements of financial position. Negative VOBA occurs when the estimated fair value of in-force contracts in a life insurance company acquisition is less than the amount recorded as insurance contract liabilities, and is recorded in the “Future policy benefits” in the statements of financial position.

VOBA is amortized on a basis consistent with the related policyholder liabilities over the remaining life of the acquired underlying policies using the same methodology, factors, and assumptions used to amortize DAC and DSI. Amortization of VOBA intangible asset is included in the “Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired” on the statement of operations. Amortization of VOBA intangible liability is included in “Policyholder benefits and claims incurred” on the statements of operations.

Goodwill represents the excess of amounts paid for acquiring businesses over the fair value of the net assets acquired, less any impairment recognized.

Goodwill is not amortized but is tested for impairment at least annually by first assessing whether there are events or changes in circumstances, such as deteriorating or adverse market conditions, indicating that it is more likely than not that the carrying amount of the reporting unit including goodwill may exceed the fair value. If this qualitative assessment indicates that an impairment may exist, a quantitative impairment assessment is then performed and impairment is measured and recognized as the amount by which a reporting unit's carrying value, including goodwill, exceeds its fair value, limited to the carrying amount of goodwill of the reporting unit.

Assets received or pledged as collateral: the Company receives and pledges collateral in respect to certain derivative contracts, in order to meet its contractual obligations. The amount of collateral required is determined by the valuation of each contract on a mark-to-market basis and the type of collateral to be deposited is specified within the agreement with each counterparty.

Collateral pledged continues to be recognized in the statements of financial position as the Company retains all rights related to these assets.

Collateral received is not recognized in the statements of financial position unless the Company acquires the rights relating to the economic risks and rewards related to these assets.

Collateralized borrowing and lending transactions: Securities sold under repurchase agreements, as well as securities purchased under reverse repurchase agreements, are collateralized borrowing and lending transactions that do not qualify for sale accounting under ASC 860, Transfers and Servicing (“**ASC 860**”). A repurchase agreement provides the lender of securities the right to receive from the counterparty sufficient cash to purchase the same securities at the maturity of the agreement. A repurchase agreement is accounted for as a collateralized borrowing, whereas a reverse repurchase agreement is accounted for as a collateralized lending. These transactions are measured at amortized cost and are recorded at amounts at which the securities were initially sold.

For repurchase agreements, the Company recognizes an asset in the statements of financial position, representing the cash received, and a liability for the same amount, representing the obligation to repurchase the loaned securities. Repurchase agreements with the same counterparty are presented as net in the statements of financial position when the criteria to offset are met. For reverse repurchase agreements, the Company recognizes a receivable for cash provided in the statements of financial position. Securities sold under repurchase agreements continue to be recognized in the statements of financial position, while securities purchased under reverse repurchase agreements are not recognized in the statements of financial position.

Separate account assets and liabilities are funds that are held separate from the general assets and liabilities of the Company. Separate account assets include funds representing the investments of variable insurance product contract holders, who bear the investment risk of such funds. Investment income and investment gains and losses from these separate funds accrue to the benefit of the contract holders. The Company reports separately, as assets and liabilities, investments held in such separate accounts and liabilities of the separate accounts if (i) such separate accounts are legally recognized; (ii) assets supporting the contract liabilities are legally insulated from the Company's general account liabilities; (iii) investments are directed by the contract holder; and (iv) all investment performance, net of contract fees and assessments, is passed through to the contract holder. The assets of these accounts are carried at fair value. Deposits, net investment income and realized investment gains and losses for these accounts are excluded from revenues, and related liability increases are excluded from benefits and expenses in the statements of operations. Separate accounts are established in conformity with insurance laws and are not chargeable with liabilities that arise from any other business of the Company.

Future policy benefits ("FPB") is calculated as the present value of expected future policy benefits to be paid or on behalf of policyholders and certain related expenses, reduced by the present value of expected net premiums to be collected from policyholders. FPB relates to long duration insurance contracts such as deferred and immediate annuities with life contingencies, including PRT contracts, and certain life products. Significant assumptions used in the establishment of the FPB include longevity, mortality, and lapse rates as well as discount rates. Other principal assumptions include morbidity, incidence, terminations, claim-related expenses and other contingent events based on the respective product type. The Company groups contracts into annual or deal level cohorts based on product type and contract inception date for the purposes of calculating the liability for future policy benefits. Ceded future policy benefits are presented in "Reinsurance recoverables and deposit assets" in the statements of financial position.

The Company updates its estimate of cash flows over the entire life of a group of contracts using actual historical experience and current future cash flow assumptions. The Company reviews and updates cash flow assumptions at least annually during the third quarter of each year, and at the same time every year by cohort or product. The Company also reviews more frequently and updates its cash flow assumptions during an interim period if evidence suggests cash flow assumptions should be revised. Assumption revisions will be reflected in the net premium ratio and FPB calculation in the quarter in which assumptions are revised. The change in the liability due to actual experience is recognized in "Policyholder benefits and claims incurred" in the statements of operations.

The change in FPB that is recognized in "Policyholder benefits and claims incurred" in the statement of operations is calculated using a locked-in discount rate. The Company measures the FPB at each reporting period using both the locked-in discount rate and the current discount rate curves. The upper-medium grade discount rate used for interest accretion is locked in for the cohort and represents the original discount rate at the issue date of the underlying contracts. The FPB for all cohorts is remeasured to a current upper-medium grade discount rate at each reporting date through other comprehensive income. The Company generally interprets the original discount rate to be a rate comparable to that of a U.S. corporate single A rate that reflects the duration characteristics of the liability. The upper-medium grade discount rate is determined using observable market data, including published upper-medium grade discount curves. In situations where market data for an upper-medium grade discount curve is not available (e.g., in certain foreign jurisdictions), spreads are applied to adjust the available observable market data to an upper-medium grade discount curve. For certain long-tailed life insurance liabilities with expected future cash flows longer than the last observable tenor (30 years), the discount rate for future cash flows beyond 30 years will be held constant at the ultimate (30 years) observable forward rate.

Should the present value of actual and future expected benefits less day one FPB balance exceed the present value of actual and future expected gross premiums, the net premium ratio will be capped at 100% and a gross premium FPB will be held. The immediate charge, recognized in earnings through "Policyholder benefits and claims incurred", will be the amount by which the uncapped net premium ratio exceeds 100% times the present value of future expected gross premium. This assessment will be performed at the cohort level.

Deferred profit liability ("DPL") is gross premiums received in excess of net premiums deferred at initial recognition for limited-payment products. Gross premiums are measured using assumptions consistent with those used in the measurement of the liability for future policy benefits, including discount rate, mortality, lapses and expenses.

The DPL is amortized and recognized as "Policyholder benefits and claims incurred" in the statements of operations in proportion to expected future benefit payments from the respective insurance contracts. Interest is accreted on the balance of the DPL using the discount rate determined at contract issuance. The Company reviews and updates its estimate of cash flows from the DPL at the same time as the estimates of cash flows for the liability for future policy benefits. When cash flows are updated, the updated estimates are used to recalculate the DPL at contract issuance. The recalculated DPL as of the beginning of the current reporting period is compared to the carrying amount of the DPL as of the beginning of the current reporting period, and any difference is recognized as "Policyholder benefits and claims incurred" in the statements of operations.

DPL is recorded in "Future policy benefits" on the statements of financial position and included as a reconciling item within the disaggregated rollforwards.

Policyholders' account balances ("PAB") represent the contract value that has accrued to the benefit of the policyholders related to universal-life and investments-type contracts and include balances related to funding agreements such as those in connection with our funding agreement-backed notes ("**FABN**") program. For fixed products, these are generally equal to the accumulated deposits plus interest credited, reduced by withdrawals, payouts and accumulated policyholder assessments. Indexed product account balances with returns linked to the performance of a specified market index are equal to the sum of the fair value of the embedded derivatives and the host (or guaranteed) component of the contracts. The host value is established at inception of the contract and accreted over the policy's life at a constant level of interest. Interest credited or index credits to policyholders' account balances pursuant to accounting by insurance companies for certain long-duration contracts are included in "Interest sensitive contract benefits" in the statements of operations. Changes in the fair value of the embedded derivatives are included in the "Change in fair value of insurance-related derivatives and embedded derivatives" in the statements of operations. Ceded PAB are presented in "Reinsurance recoverables and deposit assets" in the statements of financial position.

Liabilities for unpaid claims and claim adjustment expenses ("CAE") are established to provide for the estimated costs of paying claims. These reserves include estimates for both case reserves and incurred but not reported claims ("**IBNR**") liabilities. Case reserves include the liability for reported but unpaid claims and are determined on either a judgment or a formula basis depending on the timing and type of the loss. IBNR liabilities include a provision for potential development on case reserves, losses on claims currently closed which may reopen in the future, as well as IBNR claims. IBNR estimates are based on many variables including historical statistical information, inflation, legal environment, economic conditions and trends in claim severity and frequency. These liabilities also include an estimate of the expense associated with settling claims, including legal and other fees, and the general expenses of administering the claims adjustment process. Liabilities for unpaid claims and claim adjustment expenses for health and property and casualty insurance are included in "Policy and contract claims" in the statements of financial position.

Deposit liability: Reinsurance agreements that do not expose the reinsurer to a reasonable possibility of a significant loss from insurance risk are accounted for as deposits. At initial recognition, the funds withheld or deposit liability is measured based on consideration paid or received, less any explicitly identified premiums or fees to be retained by the insurer or reinsurer. Any commission paid is recorded as a contra-liability offsetting the deposit liability and amortized to expense over the life of the agreements. The amount of the funds withheld or liability and any balances receivable from or payable to the cedant will be adjusted at subsequent reporting dates with the effective yield on the deposit to reflect actual payments to date and expected future payments with a corresponding credit or charge to interest sensitive contract benefits.

Market risk benefits ("MRB") are contracts or contract features that provide protection to the policyholder from other-than-nominal capital market risk and expose us to such risk. The Company issues certain fixed indexed annuity and fixed rate annuity contracts that provide minimum guarantees to policyholders including guaranteed minimum withdrawal benefits and guaranteed minimum death benefits that are MRBs. MRBs are measured at fair value, at the individual contract level, and can be either an asset or a liability. Contracts which contain more than one MRB feature are combined into one single MRB. The fair value is calculated using stochastic models. At contract inception, attributed fees are calculated based on the present value of the fees and assessments collectible from the policyholder relative to the present value of expected benefits paid attributable to the MRB. The attributed fees remain static over the life of the MRB and are used to calculate the fair value of the MRB using a risk neutral valuation method. The attributed fees cannot be negative and cannot exceed the total explicit fees collectible from the policyholder. The periodic change in fair value is recognized in earnings with the exception of the periodic change in fair value related to the instrument-specific credit risk, which is recognized in other comprehensive income ("**OCI**").

The actuarial assumptions used in the MRB calculation are the Company's best estimate assumptions. Assumptions are adjusted to reflect fair value by applying a margin for non-hedgeable risk and an adjustment for own credit spread through the discount rate. The risk-free discount rate is the scenario specific US treasury rate.

Market risk benefits with positive values are recorded as "Other assets" and negative fair values as "Market risk benefits" liability in the statements of financial position. The ceded MRB assets and liabilities are presented in "Reinsurance recoverables and deposit assets" on the statements of financial position.

Funds withheld for reinsurance liabilities represent the payable for amounts contractually withheld in accordance with reinsurance agreements where certain of our subsidiaries act as cedants. While the assets in the funds withheld are legally owned by the cedant, the reinsurer is subject to all investment performance and economic rights and obligations to the funds withheld assets similar to invested assets held directly by the reinsurer. The assets in the funds withheld account, including cash and cash equivalents, fixed income securities and derivatives carried at fair value, are recorded in respective investment line items in our statements of financial position. These funds withheld assets are offset by recognizing a corresponding funds withheld liability. The funds withheld liability includes an embedded derivative that is bifurcated from the host contract. The fair value of the embedded derivative is calculated based upon the change in the fair value of the underlying liabilities in the funds withheld agreement compared to the change in the fair value of the assets in the funds withheld account. These embedded derivatives are included within "Funds withheld for reinsurance liabilities" along with the host contract on the statements of financial position. Changes in the fair value of these embedded derivatives are included in "Change in fair value of insurance-related derivatives and embedded derivatives" in the statements of operations.

Other policyholder funds include the liabilities for participating insurance policies. For the majority of participating life insurance business, profits earned are reserved for the payment of dividends to policyholders, except for the stockholders' share of profits on participating policies, which is limited to the greater of 10% of the profit on participating business, or 50 cents per thousand dollars of the face amount of participating life insurance in-force.

Participating policyholders' interest includes the accumulated net income from participating policies reserved for payment to such policyholders in the form of dividends (less net income allocated to stockholders as indicated above) as well as a pro rata portion of unrealized investment gains (losses).

For certain blocks of participating life insurance business, the allocation of dividends to participating policy owners is based upon a comparison of experienced rates of mortality, interest and expenses, as determined periodically for representative plans of insurance, issue ages and policy durations, with the corresponding rates assumed in the calculation of premiums.

Net premiums, other policy revenue and policyholder benefits and claims incurred include policyholder activity from our various insurance contracts, including annuity products.

Traditional ordinary life and health premiums are recognized as revenue when due within "Net premiums" in the statements of operations. Benefits and expenses are associated with earned premiums to result in recognition of profits over the term of the insurance contracts within "Policyholder benefits and claims incurred" in the statements of operations.

Annuity premiums received on limited-pay and supplemental annuity contracts involving a significant life contingency are recognized as revenue when due within "Net premiums" in the statements of operations.

Deferred annuity premiums are recorded as deposits rather than recognized as revenue. Revenues from deferred annuity contracts are principally surrender charges, living income benefit rider charges assessed against policyholders' account balances during the period. In the case of variable annuities, administrative fees assessed to contract holders. These revenues are included within "Other policy revenue" in the statements of operations.

Universal life and single premium whole life revenues represent amounts assessed to policyholders including amounts recorded as "Other policy revenue" in the statements of operations such as mortality charges, surrender charges actually paid, and earned policy service fees. Amounts included in the statements of operations as "Policyholder benefits and claims incurred" are claims in excess of account balances returned to policyholders. Interest credited to account balances is included within "Interest sensitive contract benefits" in the statements of operations.

Property and casualty premiums are recognized as revenue over the period of the contract in proportion to the amount of insurance protection, which is generally evenly over the contract period. Claims incurred consist of claims and CAE paid and the change in reserves.

Gross premiums for PRT contracts issued are recognized as revenue when due and collection is reasonably assured. When premiums are recognized, future policy benefits are computed, whereby premiums are offset by changes in future policy benefits included within "Policyholder benefits and claims incurred" on the statements of operations, provided that net premium ratio does not exceed 100% (i.e., present value of total policyholder benefits and expenses does not exceed gross premiums). Premiums ceded are recognized when due and in accordance with the terms of the contractual agreement between the Company and reinsurer. Premium refunds, if any, are recognized on an accrual basis. Policyholder benefits are recorded in the statements of operations when they are due and incurred.

Net investment income include interest and dividend income on investments as well as the change in fair value on investments reported at fair value under ASC 946 or for those for which we elected the fair value option under ASC 825. Interest income on investments is calculated using the effective interest method. Dividend income is recognized when the right to receive payments is established.

Investment related gains (losses) include realized gains and losses on investments representing the difference between net sale proceeds and the carrying value, mark-to-market gains (losses) on investments carried at fair value, allowance for credit loss and foreign exchange gains (losses), determined on the basis of specific identification based on the trade date for all security transactions.

Net investment results from reinsurance funds withheld represent investment income and changes in fair value of derivatives embedded in reinsurance funds withheld arrangements.

Change in fair value of insurance-related derivatives and embedded derivatives include the change in fair value of embedded derivatives for fixed indexed annuities, equity-indexed universal life contracts and funds withheld for reinsurance liabilities, as well as the change in fair value of insurance-related derivatives, which are call options used to fund fixed indexed annuity contracts and equity-indexed universal life contracts. The change in fair value of embedded derivatives for fixed index annuities equals the change in the difference between policy benefit reserves for fixed index annuities computed under the derivative accounting standard and the long-duration contracts accounting standard as of each reporting date.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities within a year. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the end of each year.

Deferred income tax assets ("DTAs") and liabilities ("DTLs") are recognized for the expected future tax consequences of events that have been included in the financial statements under the asset and liability method. Under this method, we determine DTAs and DTLs on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on DTAs and DTLs is recognized in income in the period that includes the enactment date.

We recognize DTAs to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, carryback potential if permitted under the tax law and results of recent operations. If we determine that we would not be able to realize our DTAs in the future in excess of their net recorded amount, we would recognize a DTA valuation allowance, which would increase the provision for income taxes.

We record uncertain tax positions in accordance with ASC 740, Income Taxes, on the basis of a two-step process in which (i) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position; and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. We record interest and penalties related to unrecognized tax benefits in the provision for income taxes.

Foreign currencies: the local currency of our foreign subsidiaries is deemed to be the functional currency of the country in which these subsidiaries operate. The financial statements of the Company’s foreign subsidiaries are translated into USD at the exchange rate in effect at the end of a reporting period for assets and liabilities and at average exchange rates during the period for the statements of operations.

The unrealized gains and losses from the translation of the net assets are recorded as unrealized foreign currency translation adjustments and included in accumulated other comprehensive income (“**AOCI**”). Changes in unrealized foreign currency translation adjustments are included in other comprehensive income (“**OCI**”). Gains and losses from foreign currency transactions of the Company’s invested assets are reported in “Investment related gains (losses)” in the statements of operations. Gains and losses from foreign currency transactions of the Company’s insurance liabilities are reported in “Policyholder benefits and claims incurred” in the statements of operations.

Segments: in accordance with ASC 280, Operating Segments, the Company uses a management approach to determine operating segments. The management approach considers the internal organization and reporting used by the Company’s chief operating decision maker (“**CODM**”) for making decisions, allocation of resources and assessing performance. The Company’s CODM has been identified as the Chief Executive Officer and the Chief Financial Officer who review the results of operations when making decisions about capital allocation and investment strategies, as well as product mix and pricing of insurance products. The Company’s operations are organized into four reportable segments: Annuities, P&C, Life Insurance and Corporate and Other (see Note 27).

Earnings per share: the holders of the class C shares are entitled to receive distributions if, as and when declared or authorized. Our Board of Directors has adopted a policy that, to the extent the Company pays any distributions on its class C shares, such distributions on the class C shares may be paid quarterly in an amount equal to our company’s Distributable Operating Earnings (see Note 27 for further information) per class C share after payment of distributions on the class A exchangeable shares, class A-1 exchangeable shares, class B shares and any other shares ranking senior to the class C shares and after reasonable provision for any other applicable obligations and commitments. Earnings per share is calculated and presented for class C shares. Class A exchangeable shares and class B shares are not considered participating securities nor considered to be common stock, and consequently earnings per share is not applicable to these classes of shares.

Basic earnings per share attributable to class C shareholders are calculated by dividing the Company’s net income, less distributions payable to class A and class A-1 exchangeable and class B shareholders and dividends payable to redeemable junior preferred shares, by the weighted average number of class C shares outstanding during the year.

Litigation contingencies: Existing and potential litigation is reviewed quarterly to determine if any adjustments to liabilities for probable losses are necessary. Reserves for losses are established whenever they are probable and reasonably estimable. If not one estimate within the range of possible losses is more probable than any other, a reserve is recorded based on the lowest amount of the range.

Reclassification

To better reflect the nature of borrowings, we have reclassified line items on our statements of financial position associated with our borrowings. This change in presentation had no impact on our comprehensive income, as well as total assets, liabilities and equity.

Recently issued accounting pronouncements

The Company continues to assess the impacts of the following ASUs issued but not yet adopted as of December 31, 2025 on the financial statements. ASUs not listed below were assessed and determined to be either not applicable or insignificant in presentation or amount.

ASU 2024-03 and ASU 2025-01 – On November 4, 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments in this ASU require public business entities to disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. On January 6, 2025, the FASB issued ASU 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date, which explains the effective date provisions of ASU 2024-03 for non-calendar year-end entities. ASU 2024-03 will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, to be applied on either a retrospective or prospective basis subject to certain exceptions, with early adoption permitted. We are currently evaluating the impact of this ASU on our financial statements. However, as they apply to disclosure requirements, the adoption of this ASU is not anticipated to have a material impact on our profitability, financial position or cash flows.

ASU 2025-06 – On September 18, 2025, the FASB issued ASU 2025-06, Intangible—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The amendments in this ASU eliminate accounting consideration of software project development stages and clarifies the threshold entities should apply to begin capitalizing software costs. ASU 2025-06 will be effective for annual and interim reporting periods beginning after December 15, 2027. We are currently evaluating the impact of this ASU on our financial statements.

NOTE 3. AVAILABLE-FOR-SALE FIXED MATURITY SECURITIES

The amortized cost and fair value of available-for-sale fixed maturity securities are shown below:

AS OF DEC. 31, 2025 US$ MILLIONS	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
U.S. treasury and government	$ 398	$ 3	$ (41)	$ —	**$ 360**
U.S. state and municipal	3,075	107	(21)	(3)	**3,158**
Foreign governments	1,827	53	(29)	—	**1,851**
Corporate debt securities	47,834	1,077	(311)	(1)	**48,599**
Residential mortgage-backed securities	1,154	52	(2)	—	**1,204**
Commercial mortgage-backed securities	3,649	121	(32)	—	**3,738**
Collateralized debt securities	5,220	128	(49)	—	**5,299**
Total fixed maturity securities	**$ 63,157**	**$ 1,541**	**$ (485)**	**$ (4)**	**$ 64,209**

AS OF DEC. 31, 2024 US$ MILLIONS	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
U.S. treasury and government	$ 410	$ 2	$ (43)	$ —	$ 369
U.S. state and municipal	3,280	39	(30)	—	3,289
Foreign governments	2,082	11	(51)	—	2,042
Corporate debt securities	37,312	571	(477)	(26)	37,380
Residential mortgage-backed securities	1,288	28	(5)	(1)	1,310
Commercial mortgage-backed securities	3,259	91	(30)	—	3,320
Collateralized debt securities	6,020	103	(31)	—	6,092
Total fixed maturity securities	$ 53,651	$ 845	$ (667)	$ (27)	$ 53,802

The amortized cost and fair value, by contractual maturity, of available-for-sale fixed maturity securities are shown below. Actual maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Residential and commercial mortgage-backed securities and collateralized debt securities, which are not due at a single maturity, have been separately presented below.

AS OF DEC. 31, 2025 US$ MILLIONS	Amortized Cost	Fair Value
Due in one year or less	$ 2,197	$ 2,202
Due after one year through five years	21,714	22,153
Due after five years through ten years	11,566	11,782
Due after ten years	17,657	17,831
	53,134	**53,968**
Residential mortgage-backed securities	1,154	1,204
Commercial mortgage-backed securities	3,649	3,738
Collateralized debt securities	5,220	5,299
Total	**$ 63,157**	**$ 64,209**

Proceeds from sales of available-for-sale fixed maturity securities, with the related gross realized gains and losses, are shown below:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024	2023
Proceeds from sales of available-for-sale fixed maturity securities	**$ 10,750**	$ 11,159	$ 5,871
Gross realized gains	**115**	63	45
Gross realized losses	**(96)**	(223)	(145)

The Company has pledged bonds in connection with certain agreements and transactions, such as financing and reinsurance agreements. The carrying value of bonds pledged was $10.4 billion and $8.9 billion as of December 31, 2025 and 2024, respectively.

In accordance with various regulations, the Company has securities on deposit with regulating authorities with a carrying value of $181 million and $213 million as of December 31, 2025 and 2024, respectively. There are no restrictions on these assets.

The gross unrealized losses and fair value of available-for-sale fixed maturity securities, aggregated by investment category and the length of time individual securities have been in a continuous unrealized loss position due to market factors are shown below:

AS OF DEC. 31, 2025 US$ MILLIONS, EXCEPT NUMBER OF ISSUES	Less than 12 months			12 months or more			Total		
	Number of Issues	Gross Unrealized Losses	Fair Value	Number of Issues	Gross Unrealized Losses	Fair Value	Number of Issues	Gross Unrealized Losses	Fair Value
U.S. treasury and government	10	$ (12)	$ 17	28	$ (29)	$ 107	**38**	**$ (41)**	**$ 124**
U.S. state and municipal	52	(5)	357	83	(16)	255	**135**	**(21)**	**612**
Foreign governments	37	(7)	431	28	(22)	76	**65**	**(29)**	**507**
Corporate debt securities	1,156	(95)	6,569	575	(216)	3,287	**1,731**	**(311)**	**9,856**
Residential mortgage-backed securities	24	—	64	20	(2)	100	**44**	**(2)**	**164**
Commercial mortgage-backed securities	40	(9)	210	29	(23)	290	**69**	**(32)**	**500**
Collateralized debt securities	69	(17)	591	25	(32)	245	**94**	**(49)**	**836**
Total	**1,388**	**$ (145)**	**$ 8,239**	**788**	**$ (340)**	**$ 4,360**	**2,176**	**$ (485)**	**$ 12,599**

AS OF DEC. 31, 2024 US$ MILLIONS, EXCEPT NUMBER OF ISSUES	Less than 12 months			12 months or more			Total		
	Number of Issues	Gross Unrealized Losses	Fair Value	Number of Issues	Gross Unrealized Losses	Fair Value	Number of Issues	Gross Unrealized Losses	Fair Value
U.S. treasury and government	6	$ (7)	$ 54	19	$ (36)	$ 87	25	$ (43)	$ 141
U.S. state and municipal	174	(20)	851	190	(10)	280	364	(30)	1,131
Foreign governments	30	(38)	1,520	28	(13)	49	58	(51)	1,569
Corporate debt securities	1,669	(172)	7,199	590	(305)	4,949	2,259	(477)	12,148
Residential mortgage-backed securities	95	(4)	227	16	(1)	61	111	(5)	288
Commercial mortgage-backed securities	104	(25)	667	9	(5)	27	113	(30)	694
Collateralized debt securities	179	(29)	1,182	15	(2)	35	194	(31)	1,217
Total	2,257	$ (295)	$ 11,700	867	$ (372)	$ 5,488	3,124	$ (667)	$ 17,188

The unrealized losses as of December 31, 2025 and 2024 are principally related to the timing of the purchases of certain securities, which carry less yield than those available as of those dates. Approximately 93% and 89% of the fair value of fixed maturity securities shown above as of December 31, 2025 and 2024, respectively, are rated investment grade.

The Company expects to recover the amortized cost on all securities except for those securities on which it recognized an allowance for credit loss. In addition, as the Company did not have the intent to sell fixed maturity securities with unrealized losses and it was not more likely than not that the Company would be required to sell these securities prior to recovery of the amortized cost, which may be maturity, the Company did not write down these investments to fair value through the statements of operations.

Allowance for Credit Losses

Several assumptions and underlying estimates are made in the evaluation of allowance for credit loss. Examples include financial condition, near-term and long-term prospects of the issue or issuer, including relevant industry conditions and trends and implications of rating agency actions and offering prices. Based on this evaluation, unrealized losses on available-for-sale securities where an allowance for credit loss was not recorded were concentrated within the financials sector as of December 31, 2025 and 2024.

The rollforward of the allowance for credit losses for available-for-sale fixed maturity securities is shown below for the years ended December 31, 2025, 2024, and 2023:

US$ MILLIONS	U.S. State and Municipal	Corporate Debt Securities	Residential Mortgage Backed Securities	Commercial Mortgage Backed Securities	Collateralized Debt Securities	Total
Balance as of January 1, 2023	$ —	$ (24)	$ —	$ —	$ (6)	$ (30)
Credit losses recognized on securities for which credit losses were not previously recorded	—	(33)	—	(6)	(18)	(57)
Reductions for securities sold during the period	—	15	(1)	—	2	16
Changes in previously recorded allowance	—	23	—	—	18	41
Balance as of December 31, 2023	$ —	$ (19)	$ (1)	$ (6)	$ (4)	$ (30)
Credit losses recognized on securities for which credit losses were not previously recorded	—	(38)	—	—	—	(38)
Reductions for securities sold during the period	—	5	—	—	1	6
Changes in previously recorded allowance	—	26	—	—	3	29
Write-offs charged against the allowance	—	—	—	6	—	6
Balance as of December 31, 2024	$ —	$ (26)	$ (1)	$ —	$ —	$ (27)
Credit losses recognized on securities for which credit losses were not previously recorded	(3)	(10)	—	—	(2)	(15)
Reductions for securities sold during the period	—	15	—	—	—	15
Changes in previously recorded allowance	—	20	1	—	2	23
Balance as of December 31, 2025	**$ (3)**	**$ (1)**	**$ —**	**$ —**	**$ —**	**$ (4)**

No accrued interest receivables were written off as of December 31, 2025 and 2024.

NOTE 4. EQUITY SECURITIES

The net gains (losses) on equity securities recognized in "Investment related gains (losses)" on the statements of operations are shown below:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024	2023
Unrealized gains on equity securities	**$ 380**	$ 474	$ 359
Net gains (losses) on equity securities sold	**78**	169	13
Net gains on equity securities	**$ 458**	$ 643	$ 372

Equity securities by market sector distribution are shown below, based on carrying value:

AS OF DEC. 31	**2025**	2024
Consumer goods	**2 %**	5 %
Education	**4 %**	7 %
Energy and utilities	**8 %**	5 %
Finance	**74 %**	62 %
Healthcare	**1 %**	3 %
Industrials	**6 %**	7 %
Information technology	**4 %**	10 %
Other	**1 %**	1 %
Total	**100 %**	100 %

NOTE 5. MORTGAGE LOANS ON REAL ESTATE

The Company disaggregates its mortgage loan investments into two portfolio segments: commercial and residential. Commercial mortgage loans include agricultural mortgage loans. The breakdown of mortgage loans on real estate by portfolio segment is as follows:

AS OF DEC. 31 US$ MILLIONS	**2025**	2024
Commercial mortgage loans	**$ 8,927**	$ 9,891
Residential mortgage loans	**2,417**	2,693
Total	**11,344**	12,584
Allowance for credit losses	**(113)**	(158)
Total, net of allowance	**$ 11,231**	$ 12,426

The Company's commercial mortgage loan portfolio consists of loans collateralized by the related properties and diversified as to property type, location and loan size. The geographic categories come from the U.S. Census Bureau's "Census Regions and Divisions of the United States". The commercial mortgage loan portfolio is summarized by geographic region and property type as follows:

AS OF DEC. 31 US$ MILLIONS, EXCEPT FOR PERCENTAGES	2025		2024	
	Amount	**Percentage**	Amount	Percentage
Geographic distribution:				
Pacific	**$ 2,291**	**25 %**	$ 2,126	21 %
Mountain	**1,409**	**16 %**	1,687	17 %
West North Central	**255**	**3 %**	302	3 %
West South Central	**1,197**	**13 %**	1,480	15 %
East North Central	**825**	**9 %**	1,084	11 %
East South Central	**146**	**2 %**	146	1 %
Middle Atlantic	**718**	**8 %**	677	7 %
South Atlantic	**1,831**	**21 %**	2,029	21 %
New England	**158**	**2 %**	149	2 %
Other (multi-region, non-US)	**97**	**1 %**	211	2 %
Total	**$ 8,927**	**100 %**	$ 9,891	100 %
Allowance for credit losses	**(99)**		(149)	
Total, net of allowance	**$ 8,828**		$ 9,742	

AS OF DEC. 31 US$ MILLIONS, EXCEPT FOR PERCENTAGES	2025		2024	
	Amount	**Percentage**	Amount	Percentage
Property type distribution:				
Agricultural	**$ 349**	**4 %**	$ 447	5 %
Apartment	**2,461**	**28 %**	2,533	25 %
Hotel	**989**	**11 %**	1,251	13 %
Industrial	**1,825**	**20 %**	1,930	20 %
Office	**1,350**	**15 %**	1,418	13 %
Parking	**207**	**2 %**	297	3 %
Retail	**1,397**	**16 %**	1,633	17 %
Storage	**114**	**1 %**	181	2 %
Other	**235**	**3 %**	201	2 %
Total	**$ 8,927**	**100 %**	$ 9,891	100 %
Allowance for credit losses	**(99)**		(149)	
Total, net of allowance	**$ 8,828**		$ 9,742	

There was $10 million, $2 million and $2 million interest income recognized on loans in non-accrual status for the years ended December 31, 2025, 2024 and 2023, respectively. Impaired loans were not significant for any of the periods presented.

Allowance for Credit Losses

The Company establishes a valuation allowance to provide for the risk of credit losses inherent in its mortgage loan portfolios. The valuation allowance is maintained at a level believed adequate by management to absorb estimated expected credit losses. The valuation allowance is based on amortized cost, which excludes accrued interest receivable. The Company does not measure a credit loss allowance on accrued interest receivable, and any uncollectible accrued interest receivable balances are written off to net investment income in a timely manner. The Company has written off $5 million of uncollectible accrued interest receivable on its commercial or residential mortgage loan portfolios for the year ended December 31, 2025, and no write offs for the years ended December 31, 2024 and 2023, respectively. The rollforward of the allowance for credit losses for mortgage loans for the years ended December 31, 2025, 2024 and 2023 is shown below:

US$ MILLIONS	Commercial mortgage loans	Residential mortgage loans
Balance, as of January 1, 2023	$ (41)	$ —
Recovery (provision)	(19)	—
Balance, as of December 31, 2023	$ (60)	$ —
Recovery (provision)	(89)	(9)
Balance, as of December 31, 2024	$ (149)	$ (9)
Recovery (provision)	44	(5)
Write-offs charged against the allowance	6	—
Balance, as of December 31, 2025	**$ (99)**	**$ (14)**

Credit Quality Indicators

Mortgage loans are segregated by property-type and quantitative and qualitative allowance factors are applied. Qualitative factors are developed quarterly based on the pooling of assets with similar risk characteristics and historical loss experience adjusted for the expected trend in the current market environment. Credit losses are pooled by property type as it represents the most similar and reliable risk characteristics in our portfolio. The amortized cost of mortgage loans by year of origination by aging category are shown below:

AS OF DEC. 31, 2025 US$ MILLIONS	Amortized Cost Basis by Origination Year						
	2025	**2024**	**2023**	**2022**	**2021**	**Prior**	**Total**
Commercial mortgage loans:							
Current	$ 1,112	$ 358	$ 309	$ 2,119	$ 978	$ 3,666	**$ 8,542**
30-59 days past due	—	83	—	94	—	—	**177**
60-89 days past due	—	—	29	10	—	2	**41**
Non-accrual	—	—	—	11	59	97	**167**
Residential mortgage loans:							
Current	376	302	390	766	182	114	**2,130**
30-59 days past due	3	9	18	34	11	5	**80**
60-89 days past due	1	2	11	22	2	2	**40**
Non-accrual	1	4	76	66	10	10	**167**
Total mortgage loans on real estate	**$ 1,493**	**$ 758**	**$ 833**	**$ 3,122**	**$ 1,242**	**$ 3,896**	**$ 11,344**
Allowance for credit losses							**(113)**
Total, net of allowance							**$ 11,231**

AS OF DEC. 31, 2024 US$ MILLIONS	Amortized Cost Basis by Origination Year						
	2024	2023	2022	2021	2020	Prior	Total
Commercial mortgage loans:							
Current	$ 569	$ 607	$ 2,428	$ 1,280	$ 961	$ 3,735	$ 9,580
30-59 days past due	—	25	4	—	10	48	87
60-89 days past due	—	—	50	30	—	—	80
Non-accrual	—	8	42	40	6	48	144
Residential mortgage loans:							
Current	291	790	970	222	121	7	2,401
30-59 days past due	3	41	45	2	4	—	95
60-89 days past due	—	7	20	2	4	5	38
Non-accrual	3	51	76	18	8	3	159
Total mortgage loans on real estate	$ 866	$ 1,529	$ 3,635	$ 1,594	$ 1,114	$ 3,846	$ 12,584
Allowance for credit losses							(158)
Total, net of allowance							$ 12,426

It is the Company's policy to not accrue interest on loans that are 90 days delinquent and where amounts are determined to be uncollectible. As of December 31, 2025, 279 mortgage loans were past due over 90 days or in non-accrual status (2024 – 266 mortgage loans).

The Company's commercial and residential mortgage loans may be subject to loan modifications. Loan modifications may be granted to borrowers experiencing financial difficulty and could include principal forgiveness, interest rate reduction, an other-than-significant delay or a term extension. A loan modification typically does not result in a change in valuation allowance as it is already incorporated into the Company's allowance methodology. However, if the Company grants a borrower experiencing financial difficulty principal forgiveness, the amount of principal forgiven would be written off, which would reduce the amortized cost of the loan and result in an adjustment to the valuation allowance. The carrying amount of mortgage loans experiencing financial difficulty, for which modifications have been granted, was $150 million, $260 million and $219 million for the years ended December 31, 2025, 2024 and 2023 respectively.

NOTE 6. PRIVATE LOANS

The following table summarizes the credit ratings of our private loans:

AS OF DEC. 31 US$ MILLIONS	**2025**	2024
A or higher	**$ 2,148**	$ 1,595
BBB	**1,342**	692
BB and below	**2,918**	875
Unrated[(1)]	**2,007**	2,042
Total	**$ 8,415**	$ 5,204

(1) Due to the nature of private loans, external agency credit ratings may not be readily available. Where appropriate, the Company obtains non-published credit ratings from one or more third-party rating agencies, which are determined based on an independent evaluation of the transaction. For other loans without published or private credit ratings, the Company assigns internal risk ratings, based on its investment selection and monitoring process and policies. These internal risk ratings are categorized as "Unrated" above.

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Allowance for Credit Losses

The rollforward of the allowance for credit losses for private loans is shown below for the years ended December 31, 2025, 2024 and 2023:

US$ MILLIONS	2025	2024	2023
Balance as of January 1	**$ (97)**	$ (44)	$ (28)
Provision	**(84)**	(56)	(16)
Write-offs charged against the allowance	**—**	1	—
Recoveries of amounts previously written off	**—**	2	—
Balance as of December 31	**$ (181)**	$ (97)	$ (44)

The Company's private loans may be subject to loan modifications. Loan modifications may be granted to borrowers experiencing financial difficulties and could include term extensions. For the years ended December 31, 2025, 2024 and 2023, the Company did not have a significant amount of private loans that it modified to borrowers experiencing financial difficulty. Impaired loans were not significant for any of the periods presented.

NOTE 7. INVESTMENT REAL ESTATE AND REAL ESTATE PARTNERSHIPS

The carrying amounts of investment real estate, net of accumulated depreciation, and real estate partnerships by property-type are as follows:

AS OF DEC. 31, 2025 US$ MILLIONS, EXCEPT FOR PERCENTAGES	Investment real estate(1)		Real estate partnerships	
	Amount	**Percentage**	**Amount**	**Percentage**
Hotel	**$ 178**	**6 %**	**$ 108**	**3 %**
Industrial	**56**	**2 %**	**62**	**1 %**
Land	**807**	**27 %**	**41**	**1 %**
Office	**329**	**11 %**	**1,943**	**46 %**
Retail	**161**	**5 %**	**1,529**	**36 %**
Apartments	**46**	**2 %**	**406**	**10 %**
Single family residential	**1,311**	**43 %**	**8**	**— %**
Other	**112**	**4 %**	**144**	**3 %**
Total	**$ 3,000**	**100 %**	**$ 4,241**	**100 %**

AS OF DEC. 31, 2024 US$ MILLIONS, EXCEPT FOR PERCENTAGES	Investment real estate(1)		Real estate partnerships	
	Amount	**Percentage**	**Amount**	**Percentage**
Hotel	$ 135	6 %	$ 108	3 %
Industrial	14	1 %	83	2 %
Land	288	11 %	35	1 %
Office	338	14 %	2,090	61 %
Retail	186	8 %	705	21 %
Apartments	47	2 %	267	8 %
Single family residential	1,343	57 %	—	— %
Other	15	1 %	150	4 %
Total	$ 2,366	100 %	$ 3,438	100 %

(1) Investment real estate for single family residential property as of December 31, 2025 includes $1.3 billion of real estate fair valued as a result of consolidation of investment company VIE in accordance with ASC 946 (December 31, 2024 – $1.3 billion).

As of December 31, 2025, $63 million of real estate investments met the criteria as held-for-sale (2024 – $12 million).

NOTE 8. VARIABLE INTEREST ENTITIES AND EQUITY METHOD INVESTMENTS

Through its investment activities, the Company regularly invests in various entities including limited partnerships ("**LPs**") and limited liability companies ("**LLCs**") and frequently participates in the design with their sponsors, but in most cases, its involvement is limited to financing. Some of these entities have been determined to be VIEs. In certain instances, in addition to an economic interest in the entity, the Company holds the power to direct the most significant activities of the entity and is deemed the primary beneficiary. The Company consolidates all VIEs for which it is the primary beneficiary. The assets of consolidated VIEs are restricted and must first be used to settle their liabilities. Creditors or beneficial interest holders of these VIEs have no recourse to the general credit of the Company, as its obligation is limited to the amount of its committed investment. The Company has not provided financial or other support to these consolidated VIEs in the form of liquidity arrangements, guarantees or other commitments to third parties that may affect the fair value or risk of its variable interest in these VIEs as of December 31, 2025 and 2024.

In addition to investment activities, certain of the Company's subsidiaries are deemed VIEs. The Company is the primary beneficiary and consolidates these entities in the same manner as other entities in which the Company has a controlling financial interest by holding a majority voting interest.

(a) Consolidated Variable Interest Entities

The assets and liabilities relating to the consolidated VIEs from the Company's investment activities included in the financial statements are as follows:

AS OF DEC. 31 US$ MILLIONS	**2025**	2024
Available-for-sale fixed maturity securities	**$ 74**	$ 127
Equity securities	**5,728**	576
Mortgage loans on real estate, net of allowance	**248**	189
Private loans, net of allowance	**1,980**	1,384
Investment real estate	**2,660**	1,798
Real estate partnerships	**3,780**	2,885
Investment funds	**7,997**	4,804
Other invested assets	**326**	144
Cash and cash equivalents	**320**	218
Other assets	**462**	404
Total assets of consolidated VIEs	**$ 23,575**	$ 12,529
Notes payable	**205**	189
Other liabilities	**768**	363
Total liabilities of consolidated VIEs	**$ 973**	$ 552

(b) Unconsolidated Variable Interest Entities

For certain of the Company's investments in various entities that are determined to be VIEs, the Company is not the primary beneficiary as it does not take an active role in the management of these investments. Such investments are reported in certain investment line items on the statements of financial position, including "Available-for-sale fixed maturity securities, at fair value" and "Investment funds". In some instances, a consolidated VIE involves one or more underlying entities for which the Company is not the primary beneficiary because it does not have the power to direct the most significant activities of these entities. These unconsolidated VIEs that are part of consolidated VIEs are reported primarily in "Real estate partnerships" on the statements of financial position. Creditors or beneficial interest holders of the unconsolidated VIEs have no recourse to the general credit of the Company, as its obligation is limited to the amount of its committed investment. The Company has not provided financial or other support to these unconsolidated VIEs in the form of liquidity arrangements, guarantees or other commitments to third-parties that may affect the fair value or risk of its variable interest in these VIEs as of December 31, 2025 and 2024.

The carrying amount and maximum exposure to loss relating to these unconsolidated VIEs are as follows:

AS OF DEC. 31 US$ MILLIONS	**2025**		2024	
	Carrying Amount	**Maximum Exposure to Loss**	Carrying Amount	Maximum Exposure to Loss
Available-for-sale fixed maturity securities	**$ 1,296**	**$ 1,604**	$ 2,142	$ 3,003
Equity securities	**253**	**253**	466	466
Mortgage loans on real estate, net of allowance	**414**	**414**	716	731
Private loans, net of allowance	**368**	**368**	—	—
Real estate partnerships	**3,570**	**3,642**	2,548	2,579
Investment funds	**6,489**	**8,994**	1,989	2,153
Short-term investments	**—**	**—**	99	99
Other invested assets	**316**	**316**	173	189
Total	**$ 12,706**	**$ 15,591**	$ 8,133	$ 9,220

(c) Equity Method Investments

Our investments in investment funds, real estate partnerships and other partnerships, of which substantially all are LPs or LLCs, are accounted for using the equity method of accounting, except for certain investments that are fair valued due to the application of fair value option under ASC 825 or the consolidation of investment company VIEs under ASC 946. Fair value of certain investments are estimated using NAV as a practical expedient.

The Company's investments that would require the use of the equity method of accounting, absent the election of the fair value option under ASC 825, were $13.3 billion and $9.4 billion as of December 31, 2025 and 2024, respectively. Balance as of December 31, 2025 includes partial interests in Brookfield real estate investments totaling $6.0 billion (2024 – $4.5 billion) and $1.0 billion of common stock of Brookfield Business Partners L.P. ("**BBU**") for which a quoted market price is available (2024 – $901 million). The aggregate value of our interest in BBU based on the quoted market price as of December 31, 2025 was $1.5 billion (2024 – $1.0 billion). These equity method investments are primarily recorded as "Real estate partnerships" or "Investment funds" on the statements of financial position.

We generally recognize our share of earnings in our equity method investments within "Net investment income". For the years ended December 31, 2025, 2024 and 2023, net investment income for Real estate partnerships and Investment funds in Note 10 principally represent our share of earnings in our equity method investments, including fair value changes from investments under ASC 825.

The following aggregated summarized financial data reflects the latest available financial information, inclusive of investments to which we would have applied the equity method had we not elected the fair value option under ASC 825, and does not represent the Company's pro rata share of the assets, liabilities or earnings of such entities. Aggregated total assets of these entities totaled $303.4 billion and $208.6 billion as of December 31, 2025 and 2024, respectively. Aggregate net income of these entities totaled $13.6 billion, $5.1 billion and $2.0 billion for the years ended December 31, 2025, 2024 and 2023 respectively. Aggregate net income from the underlying entities in which the Company invests is primarily comprised of investment income, including recurring investment income (loss) and realized and unrealized investment gains (losses), from investment funds, investment real estate, real estate partnerships and other invested assets.

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NOTE 9. DERIVATIVE INSTRUMENTS

The Company manages risks associated with certain assets and liabilities by using derivative instruments. Derivative instruments are financial contracts whose value is derived from underlying interest rates, exchange rates or other financial instruments. The Company does not invest in derivatives for speculative purposes.

Foreign exchange forwards, options and swaps are over-the-counter contractual agreements negotiated between counterparties. The Company purchases equity-indexed options as economic hedges against fluctuations in the equity markets to which equity-indexed products are exposed. Equity-indexed contracts include a fixed host universal-life insurance or annuity contract and an equity-indexed embedded derivative. Foreign exchange forwards, cross currency swaps and interest rate swaps are used to manage our exposure to foreign currency risk, interest rate risk or both. Futures contracts are traded in an organized market and are contractual obligations to buy or sell a financial instrument at a predetermined future time at a given price.

The notional principal represents the amount to which a rate or price is applied to determine the cash flows to be exchanged periodically and does not represent credit exposure. Maximum credit risk is the estimated cost of replacing derivative instruments which have a positive value, should the counterparty default.

Derivatives, except for embedded derivatives, are included in "Other invested assets" or "Other liabilities", at fair value in the statements of financial position. Embedded derivatives on Modco arrangements, embedded derivatives on indexed annuity and variable annuity products and embedded derivatives on funds withheld arrangements are included in the statements of financial position within the "Reinsurance funds withheld", "Policyholders' account balances" and "Funds withheld for reinsurance liabilities" lines respectively, at fair value.

The notional amounts and fair values of freestanding derivative instruments are shown below:

AS OF DEC. 31 US$ MILLIONS	Primary underlying risk	**2025** **Notional Amount**	**2025 Fair Value[1]** **Assets**	**2025 Fair Value[1]** **Liabilities**	2024 Notional Amount	2024 Fair Value[1] Assets	2024 Fair Value[1] Liabilities
Derivatives designated as hedging instruments:							
Foreign exchange forwards	Foreign currency	**$ 1,248**	**$ 3**	**$ (17)**	$ 1,625	$ 21	$ (18)
Cross currency swaps	Foreign currency	**1,499**	**12**	**(5)**	1,330	9	(16)
Interest rate swaps	Interest rate	**1,797**	**12**	**—**	—	—	—
Derivatives not designated as hedging instruments:							
Equity-indexed options	Equity	**46,883**	**1,571**	**—**	46,374	1,311	(5)
Equity total return swaps	Equity	**—**	**—**	**—**	18	1	—
Foreign exchange forwards	Foreign currency	**7,447**	**28**	**(59)**	3,684	34	(9)
Cross currency swaps	Foreign currency	**1,001**	**35**	**(16)**	38	—	—
Interest rate swaps	Interest rate	**2,027**	**32**	**(22)**	985	15	(9)
		$ 61,902	**$ 1,693**	**$ (119)**	$ 54,054	$ 1,391	$ (57)

(1) The asset and liability balances are presented on a gross basis. Amounts are reported in "Other invested assets" and "Other liabilities" in the statements of financial position after the evaluation for rights of offset. See "Derivative Exposure" section of this note for further details.

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Derivatives Designated as Hedging Instruments

The Company has designated and accounted for certain foreign exchange forwards and cross currency swaps (together "**foreign currency derivatives**") as fair value hedges to protect a portion of the available-for-sale fixed maturity securities against changes in fair value due to changes in exchange rates. The Company has also designated and accounted for certain interest rate swaps ("**interest rate derivatives**") as fair value hedges to convert a portion of PAB from a fixed rate liability to a floating rate liability.

For derivative instruments that were designated and qualified as fair value hedges, the gain or loss on the portion of the derivative instrument included in the assessment of hedge effectiveness and the offsetting gain or loss on the hedged item attributable to the hedged risk are recognized in the same line item in the statements of operations. The unrealized gain or loss attributable to changes in exchange rates on the available-for-sale fixed maturity securities that were designated as part of the hedge are reclassified out of other comprehensive income ("**OCI**") into "Investment related gains (losses)" in the statements of operations. The remaining change in unrealized gain or loss on the hedged item not associated with the risk being hedged remains as a component of OCI. The gains (losses) on interest rate derivatives designated as hedging instruments for certain PAB are included in "Interest sensitive contract benefits" in the statements of operations.

The following represents the amount of gains (losses) related to the derivatives and hedged items that qualify for fair value hedges:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024	2023
Foreign currency derivatives:			
Hedged items	**$ (25)**	$ 163	$ 10
Derivatives designated as hedging instruments	**16**	(131)	(9)
Interest rate derivatives:			
Hedged items	**(12)**	—	—
Derivatives designated as hedging instruments	**12**	—	—
Gains (losses) on fair value hedges	**$ (9)**	$ 32	$ 1

The amortized cost of available-for-sale fixed maturity securities designated and qualifying as hedged items in fair value hedges in relation to foreign currency derivatives was $2.7 billion as of December 31, 2025 (2024 – $2.5 billion). The following table presents the carrying amount and cumulative fair value hedging adjustments for a portion of PAB designated and qualifying as hedged items in fair value hedges in relation to interest rate derivatives:

AS OF DEC. 31 US$ MILLIONS	**Carrying Amount of the Hedged Assets (Liabilities)**		**Cumulative Amount of Fair Value Hedging Adjustments Included in the Carrying Amount of the Hedged Assets (Liabilities)**	
Location in the Statements of Financial Position	**2025**	2024	**2025**	2024
Policyholders' account balances	**$ (2,224)**	$ —	**$ (12)**	$ —

Derivatives Not Designated as Hedging Instruments

The following represents the amount of gains (losses) related to the derivatives not designated as hedging instruments, recognized in "Investment related gains (losses)" on the statements of operations, except for equity-indexed options which are recognized in "Change in fair value of insurance-related derivatives and embedded derivatives":

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024	2023
Equity-indexed options	**$ 314**	$ 556	$ 109
Equity total return swaps	**—**	1	—
Foreign exchange forwards	**(84)**	31	39
Cross currency swaps	**(41)**	58	—
Interest rate options	**—**	26	139
Interest rate swaps	**5**	(3)	7
Bond futures	**—**	17	10
Total	**$ 194**	$ 686	$ 304

Derivative Exposure

The Company's use of derivative instruments exposes it to credit risk in the event of non-performance by counterparties. The Company has a policy of only dealing with counterparties it believes are creditworthy and obtaining sufficient collateral where appropriate, as a means to mitigating the financial loss from defaults. The minimum credit rating of our counterparties is A- as of December 31, 2025 (2024 – BBB+), and all derivatives have been appropriately collateralized by the Company and the counterparties in accordance with the terms of the derivative agreements. The Company holds collateral in cash and notes secured by U.S. government-backed assets. The non-performance risk is the net counterparty exposure based on fair value of open contracts less fair value of collateral held. The Company maintains master netting agreements with its current active trading partners. A right of offset has been applied to cash collateral that supports credit risk and has been recorded in the statements of financial position as an offset to "Other invested assets" with an associated payable to "Other liabilities" for non-cash and excess collateral. A right of offset has also been applied to derivative assets and liabilities with the same counterparty under the same master netting agreement, and such derivative instruments are presented on a net basis in the statements of financial position.

Information regarding the Company's exposure to credit loss on the derivatives it holds, including the effect of rights of offset, is presented below:

AS OF DEC. 31, 2025 US$ MILLIONS	Gross amount of derivative instruments[(1)]	Gross amounts offset in the statements of financial position[(2)]		**Net amount presented on the statements of financial position**	Collateral (received) pledged in invested assets[(3)]	**Net amount after collateral**
		Counterparty netting	Cash collateral			
Total derivative assets	**$ 1,693**	**$ (82)**	**$ (1,548)**	**$ 63**	**$ (28)**	**$ 35**
Total derivative liabilities	**$ (119)**	**$ 82**	**$ —**	**$ (37)**	**$ —**	**$ (37)**

(1) Represents derivative assets and liabilities on a gross basis, which are not offset under enforceable master netting agreements that meet all offsetting criteria.

(2) Represents netting of derivative exposures covered by qualifying master netting agreements.

(3) Excludes $115 million of excess collateral received from, and $64 million of initial margin posted to, derivative counterparties as of December 31, 2025.

AS OF DEC. 31, 2024 US$ MILLIONS	Gross amount of derivative instruments[(1)]	Gross amounts offset in the statements of financial position[(2)]		Net amount presented on the statements of financial position	Collateral (received) pledged in invested assets[(3)]	Net amount after collateral
		Counterparty netting	Cash collateral			
Total derivative assets	$ 1,391	$ (30)	$ (1,298)	$ 63	$ —	$ 63
Total derivative liabilities	$ (57)	$ 30	$ —	$ (27)	$ 23	$ (4)

(1) Represents derivative assets and liabilities on a gross basis, which are not offset under enforceable master netting agreements that meet all offsetting criteria.

(2) Represents netting of derivative exposures covered by qualifying master netting agreements.

(3) Excludes a portion of collaterals held in cash and invested assets that are excess collateral. As of December 31, 2024, the Company held excess collateral of $76 million.

Embedded Derivatives

The fair values of embedded derivatives that have been separated from their host contracts, presented in the statements of financial position, are shown below:

AS OF DEC. 31 US$ MILLIONS	**Location in the Statements of Financial Position**	**2025**		2024	
		Fair Value		Fair Value	
		Assets	**Liabilities**	Assets	Liabilities
Modco arrangement	Reinsurance funds withheld	**$ 48**	**$ —**	$ 18	$ —
Indexed annuity and variable annuity product	Policyholders' account balances	**—**	**(6,414)**	—	(1,123)
Funds withheld arrangement	Funds withheld for reinsurance liabilities	**—**	**(74)**	—	(37)
		$ 48	**$ (6,488)**	$ 18	$ (1,160)

The following represents the amount of gains (losses) related to embedded derivatives recorded in the statements of operations:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**Location in the Statements of Operations**	**2025**	2024	2023
Modco arrangement	Net investment results from reinsurance funds withheld	**$ 30**	$ 259	$ (182)
Indexed annuity and variable annuity product	Change in fair value of insurance-related derivatives and embedded derivatives	**(491)**	(284)	(67)
Funds withheld arrangement	Change in fair value of insurance-related derivatives and embedded derivatives	**(41)**	(38)	—
		$ (502)	$ (63)	$ (249)

NOTE 10. NET INVESTMENT INCOME AND INVESTMENT RELATED GAINS (LOSSES)

Net investment income is shown below:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
Available-for-sale fixed maturity securities	**$ 3,199**	$ 2,310	$ 830
Equity securities	**133**	64	25
Mortgage loans	**821**	660	325
Private loans	**527**	185	107
Investment real estate	**45**	47	49
Real estate partnerships	**111**	(10)	(1)
Investment funds	**640**	365	124
Policy loans	**21**	35	17
Short-term investments	**171**	271	221
Other invested assets	**151**	337	112
Total net investment income	**$ 5,819**	$ 4,264	$ 1,809

Net unrealized and realized investment gains (losses) are shown below:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
Available-for-sale fixed maturity securities	**$ 23**	$ (193)	$ (105)
Equity securities	**458**	643	372
Mortgage loans	**52**	(87)	(27)
Private loans	**(37)**	(8)	(13)
Investment real estate	**41**	(7)	(11)
Real estate partnerships	**5**	—	—
Investment funds	**(20)**	(8)	13
Short-term investments and other invested assets[1]	**(37)**	29	196
Total investment related gains	**$ 485**	$ 369	$ 425

(1) Amount for the year ended December 31, 2024 includes an accounting loss related to a deemed settlement of a previously held reinsurance agreement between NER SPC and AEL recognized in the second quarter of 2024. See Note 16 for details.

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NOTE 11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount and fair value of financial instruments are shown below:

AS OF DEC. 31 US$ MILLIONS	2025 Carrying Amount	2025 Fair Value	2024 Carrying Amount	2024 Fair Value
Financial assets				
Available-for-sale fixed maturity securities	**$ 64,209**	**$ 64,209**	$ 53,802	$ 53,802
Equity securities[1]	**7,972**	**7,972**	3,854	3,854
Mortgage loans on real estate, net of allowance	**11,231**	**11,343**	12,426	12,240
Private loans, net of allowance	**8,415**	**8,489**	5,204	5,320
Real estate partnerships[2]	**2,343**	**2,343**	1,487	1,487
Policy loans	**234**	**234**	276	276
Short-term investments[3]	**475**	**475**	4,400	4,400
Other invested assets:				
Derivative assets	**1,611**	**1,611**	1,361	1,361
Separately managed accounts	**54**	**54**	71	71
Other[4][5]	**1,189**	**1,188**	956	958
Cash and cash equivalents	**13,014**	**13,014**	12,243	12,243
Reinsurance funds withheld – embedded derivative	**48**	**48**	18	18
Other assets – market risk benefit assets	**1,174**	**1,174**	856	856
Separate account assets[6]	**822**	**822**	1,343	1,343
Total financial assets	**$ 112,791**	**$ 112,976**	$ 98,297	$ 98,229
Financial liabilities				
Policyholders' account balances – embedded derivative	**6,414**	**6,414**	1,123	1,123
Market risk benefits	**4,536**	**4,536**	3,655	3,655
Notes payable	**205**	**205**	189	189
Corporate and non-recourse borrowings	**5,485**	**5,574**	4,351	4,371
Funds withheld for reinsurance liabilities – embedded derivative	**74**	**74**	37	37
Other liabilities – derivative liabilities	**37**	**37**	27	27
Separate account liabilities[6]	**822**	**822**	1,343	1,343
Total financial liabilities	**$ 17,573**	**$ 17,662**	$ 10,725	$ 10,745

(1) The cost of equity securities as of December 31, 2025 was $6.7 billion (2024 – $3.1 billion). Balance includes $250 million of equity securities measured at cost less any impairments, if any, as their fair values are not readily determinable and are therefore not subject to the fair value hierarchy as of December 31, 2025. No amounts of impairments were recorded for the year ended December 31, 2025. The Company held no equities without readily determinable fair values as of December 31, 2024.

(2) Represents financial assets that are fair valued in accordance with ASC 825.

(3) Balance includes $400 million of amounts loaned under reverse repurchase agreements as of December 31, 2025 (2024 – $400 million). The fair value of the collateral received under these agreements was $872 million as of December 31, 2025 (2024 – $783 million).

(4) Balance includes $782 million and $637 million of other invested assets not subject to the fair value hierarchy as of December 31, 2025 and 2024,respectively.

(5) Balance excludes $1.5 billion and $1.3 billion of derivative collaterals that are recorded as an offset to "Other invested assets" in the statements of financial position and are also not included in the fair value hierarchy as of December 31, 2025 and 2024, respectively. Refer to "Derivative Exposure" section of Note 9 for details.

(6) Balance include nil and $31 million of assets, and corresponding liabilities, that are not subject to the fair value hierarchy as of December 31, 2025 and 2024, respectively.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability. A fair value hierarchy is used to determine fair value based on a hypothetical transaction as of the measurement date from the perspective of a market participant. The Company has evaluated the types of securities in its investment portfolio to determine an appropriate hierarchy level based upon trading activity and the observability of market inputs. The classification of assets or liabilities within the fair value hierarchy is based on the lowest level of significant input to its valuation. The input levels are defined as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Quoted prices in markets that are not active or inputs that are observable directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities other than quoted prices in Level 1; quoted prices in markets that are not active; or other inputs that are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities
Level 3	Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose values are determined using pricing models and third-party evaluation, as well as instruments for which the determination of fair value requires significant management judgment or estimation

Valuation Techniques for Assets and Liabilities Recorded at Fair Value

Available-for-sale fixed maturity securities — The Company utilizes pricing services to estimate fair value measurements. The fair value for available-for-sale fixed maturity securities that are disclosed as Level 1 measurements are based on unadjusted quoted market prices for identical assets that are readily available in an active market. The estimates of fair value for most available-for-sale fixed maturity securities, including municipal bonds, provided by the pricing service are disclosed as Level 2 measurements as the estimates are based on observable market information rather than market quotes. The pricing service utilizes market quotations for available-for-sale fixed maturity securities that have quoted prices in active markets. Since available-for-sale fixed maturity securities generally do not trade on a daily basis, the pricing service prepares estimates of fair value measurements for these securities using its proprietary pricing applications, which include available relevant market information, benchmark curves, benchmarking of like securities, sector groupings and matrix pricing. Additionally, an option adjusted spread model is used to develop prepayment and interest rate scenarios.

The pricing service evaluates each asset class based on relevant market information, credit information, perceived market movements and sector news. The market inputs utilized in the pricing evaluation, listed in the approximate order of priority, include: benchmark yields, reported trades, pricing source quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, reference data, and economic events. The extent of the use of each market input depends on asset class and the market conditions. Depending on the security, the priority of the use of inputs may change or some market inputs may not be relevant. For some securities, additional inputs may be necessary.

The Company has reviewed the inputs and methodology used and the techniques applied by the pricing service to produce quotes that represent the fair value of a specific security. The review confirms that the pricing service is utilizing information from observable transactions or a technique that represents a market participant's assumptions. The Company does not adjust quotes received from the pricing service. The pricing service utilized by the Company has indicated that they will only produce an estimate of fair value if there is objectively verifiable information available.

The Company holds a small amount of private placement debt and available-for-sale fixed maturity securities that have characteristics that make them unsuitable for matrix pricing. For these securities, a quote from an independent pricing source (typically a market maker) is obtained. Due to the disclaimers on the quotes that indicate the price is indicative only, the Company includes these fair value estimates in Level 3.

For securities priced using a quote from an independent pricing source, such as certain available-for-sale fixed maturity securities, the Company uses a market-based fair value analysis to validate the reasonableness of prices received. Price variances above a certain threshold are analyzed further to determine if any pricing issue exists. This analysis is performed quarterly.

Equity securities — For publicly-traded equity securities, prices are received from a nationally recognized pricing service that are based on observable market transactions, and these securities are classified as Level 1 measurements. For certain preferred stock, current market quotes in active markets are unavailable. In these instances, an estimated fair value is received from the pricing service. The service utilizes similar methodologies to price preferred stocks as it does for available-for-sale fixed maturity securities. If applicable, these estimates are disclosed as Level 2 or Level 3 measurements, depending on the use of at least one significant unobservable input. The Company tests the accuracy of the information provided by reference to other services annually.

Short-term investments — Short-term investments include fixed maturity securities with original maturities of over 90 days and less than one year at the date of acquisition, some of which are disclosed as Level 1 measurements as their fair values are based on unadjusted quoted market prices for identical assets that are readily available in an active market. Short-term investments also include commercial paper rated A2 or P2 or better by Standard & Poor's and Moody's, respectively, as well as certain private loans with original maturities of less than one year at the date of acquisition and amounts loaned under reverse repurchase agreements. Commercial paper, short-term private loans and amounts loaned under reverse repurchase agreements are carried at amortized cost which approximates fair value. These investments are classified as Level 2 or Level 3 measurements, depending on the use of at least one significant unobservable input.

Investment real estate and real estate partnerships — The fair values of residential real estate investments held through consolidation of investment company VIEs are initially recorded based on the cost to purchase the properties and subsequently recorded at fair value on a recurring basis and falls within Level 3 of the fair value hierarchy. The fair value of the residential real estate properties was determined using broker price opinions ("**BPO**"). A BPO is an appraisal methodology commonly used in the industry to estimate net proceeds from the sale of a home. The significant inputs into the valuation include market comparable home sales, age and size of the home, location and property conditions.

For certain of the Company's interest in unconsolidated variable interest entities, the Company elected the fair value option in accordance with ASC 825. The fair value of such interest is derived using discounted cash flow methodology and falls within Level 3 of the fair value hierarchy.

Certain of the Company's consolidated variable interest entities that are fair valued on a recurring basis invest in LLCs that invest in operating entities which hold multi-family real estate properties. The fair value of the LLCs is obtained from a third party and is based on the fair value of the underlying real estate held by the various operating entities. The real estate is initially calculated based on the cost to purchase the properties and subsequently calculated based on a discounted cash flow methodology. Such investments are classified as Level 3 measurements.

Investment funds — The Company owns certain investments in infrastructure LLCs through a consolidated VIE that is measured at fair value on a recurring basis. We initially recorded the investment at the cost to purchase the investment and subsequently recorded based on a discounted cash flow methodology. Investment funds that are fair valued are classified as Level 3 measurements. Certain LP funds are measured at estimated fair value using NAV as a practical expedient.

Other invested assets — The Company holds interest in an investment company limited partnership, which invests in residual tranche investments, and is a consolidated VIE. We also hold residual tranche investments to which we applied the fair value option in accordance with ASC 825. These investments were initially recorded at cost and are subsequently recorded at fair value using discounted cash flow methodology and falls within Level 3 of the fair value hierarchy.

Separate account assets and liabilities — The separate account assets included on the quantitative disclosures fair value hierarchy table are comprised of short-term investments, equity securities, and available-for-sale fixed maturity. Equity securities are classified as Level 1 measurements. Short-term investments and available-for-sale fixed maturity securities are classified as Level 2 measurements. These classifications for separate account assets reflect the same fair value level methodologies as listed above as they are derived from the same vendors and follow the same process. The separate account assets also include cash and cash equivalents, investment funds, accrued investment income, and receivables for securities. These are not included in the quantitative disclosures of fair value hierarchy table.

Reinsurance funds withheld – embedded derivatives — Valuation model is based on quoted prices of similar, traded securities in active markets. For example, interest rates and yield curves observed at commonly quoted intervals, implied volatility, credit spread and market-corroborated inputs.

Market risk benefits — MRBs are valued using stochastic models that incorporate a spread reflecting our non-performance risk. The key assumptions for calculating the fair value of the MRBs are market assumptions such as equity market returns, interest rate levels, market volatility and correlations and policyholder behavior assumptions such as lapse, mortality, utilization and withdrawal patterns. Risk margins are included in the policyholder behavior assumptions. The assumptions are based on a combination of historical data and actuarial judgment. MRBs are classified as Level 3 fair value measurements as the fair value is based on unobservable inputs. The following significant unobservable inputs are used for measuring the fair value (See Note 19 for the valuation technique and significant unobservable inputs used as of December 31, 2025):

- Utilization – The utilization assumption represents the percentage of policyholders who will elect to receive lifetime income benefit payments in a given year. The range and weighted average of this assumption can vary from year to year depending on the characteristics of policies in a given cohort within the rate.
- Option budget – The option budget assumption represents the expected cost of annual call options we will purchase in the future.
- Non-performance risk – The non-performance risk assumption impacts the discount rate used in the discounted future cash flow valuation and includes the Company's own credit risk based on the current market credit spreads for debt-like instruments the Company has issued and are available in the market. Additionally, the non-performance risk assumption includes the counterparty credit risk used in the fair value measurement of ceded market risk benefits which is determined using the current market credit spreads based on the counterparty credit rating.
- Mortality rates – The mortality rate assumptions are set based on a combination of company and industry experience, adjusted for improvement factors. Mortality rates vary by age and by demographic characteristics such as gender.
- Lapse rates – The lapse rate assumptions represent the expected rate of full surrenders which are set based on product type or feature and whether a policy is subject to surrender charges.

Derivative assets and liabilities:

- Foreign currency forward contracts – discounted cash flow model – forward exchange rates (from observable forward exchange rates at the end of the reporting period); discounted at a credit adjusted rate.
- Interest rate contracts – discounted cash flow model – forward interest rates (from observable yield curves) and applicable credit spreads discounted at a credit adjusted rate.
- Equity-index options – valued using industry accepted valuation models and are adjusted for the non-performance risk of each counterparty net of any collateral held. Inputs include market volatility and risk free interest rates and are used in income valuation techniques in arriving at a fair value for each option contract. The non-performance risk for each counterparty is based upon its credit default swap rate. The Company has no performance obligations related to the equity-index options purchased to fund its fixed index annuity and equity-indexed universal life policy liabilities. Certain equity-index options are valued based on vendor sourced prices and are classified as Level 3 measurements due to the use of significant unobservable inputs used by the vendor.

Policyholders' account balances – embedded derivatives — The fair value of the embedded derivative component of the Company's fixed index annuity and equity-indexed universal life policyholder's account balances is estimated at each valuation date by (i) projecting policy contract values and minimum guaranteed contract values over the expected lives of the contracts and (ii) discounting the excess of the projected contract value amounts at the applicable risk free interest rates adjusted for the Company's non-performance risk related to those liabilities. The following significant unobservable inputs are used for measuring the fair value: (i) Option budget; (ii) Lapse rates; and (iii) Non-performance risk. For the details of these significant unobservable inputs, refer to significant unobservable inputs for "Market risk benefits".

Funds withheld for reinsurance liabilities – embedded derivatives — The fair value of the embedded derivative is estimated based on the fair value of the assets supporting the funds withheld payable under modified coinsurance and funds withheld coinsurance reinsurance agreements. The fair value of the embedded derivative is classified as Level 3 based on valuation methods used for the assets held supporting the reinsurance agreements.

Separately managed accounts — The separately managed account manager uses the mid-point of a range from a third-party to price these securities. Discounted cash flows (yield analysis) and market transactions approach are used in the valuation. They use discount rates which is considered an unobservable input.

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The fair value hierarchy measurements of the assets and liabilities recorded at fair value are shown below:

AS OF DEC. 31, 2025 US$ MILLIONS	Total Fair Value	Level 1	Level 2	Level 3
Financial assets				
Available-for-sale fixed maturity securities:				
U.S. treasury and government	$ 360	$ 299	$ 61	$ —
U.S. state and municipal	3,158	—	3,158	—
Foreign governments	1,851	—	1,829	22
Corporate debt securities	48,599	—	47,317	1,282
Residential mortgage-backed securities	1,204	—	1,185	19
Commercial mortgage-backed securities	3,738	—	3,628	110
Collateralized debt securities	5,299	—	2,519	2,780
Total available-for-sale fixed maturity securities	**64,209**	**299**	**59,697**	**4,213**
Equity securities:				
Common stock	7,222	7,132	2	88
Preferred stock	492	20	63	409
Total equity securities	**7,714**	**7,152**	**65**	**497**
Investment real estate[(1)]	1,253	—	—	1,253
Real estate partnerships[(1)(2)]	2,385	—	—	2,385
Investment funds[(1)(3)]	152	—	—	152
Short-term investments	475	1	243	231
Other invested assets:				
Derivative assets	1,611	—	1,408	203
Separately managed accounts	54	—	—	54
Other[(2)]	407	—	—	407
Cash and cash equivalents	13,014	13,014	—	—
Reinsurance funds withheld – embedded derivative	48	—	—	48
Premiums due and other receivables – derivative asset	19	—	19	—
Other assets – market risk benefit assets	1,174	—	—	1,174
Separate account assets	822	804	18	—
Total financial assets	**$ 93,337**	**$ 21,270**	**$ 61,450**	**$ 10,617**
Financial liabilities				
Policyholders' account balances – embedded derivative	$ 6,414	$ —	$ —	$ 6,414
Market risk benefits	4,536	—	—	4,536
Funds withheld for reinsurance liabilities – embedded derivative	74	—	—	74
Other liabilities – derivative liabilities	37	—	37	—
Separate account liabilities	822	804	18	—
Total financial liabilities	**$ 11,883**	**$ 804**	**$ 55**	**$ 11,024**

(1) Balances include financial assets that are fair valued as a result of consolidation of investment company VIE in accordance with ASC 946.

(2) $2.3 billion of real estate partnerships and $407 million of other invested assets are financial assets that are fair valued in accordance with ASC 825.

(3) Balance for investment funds excludes those measured at estimated fair value using NAV per share as a practical expedient. As of December 31, 2025, the estimated fair values of investment funds measured at NAV as a practical expedient were $662 million.

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AS OF DEC. 31, 2024 US$ MILLIONS	Total Fair Value	Level 1	Level 2	Level 3
Financial assets				
Available-for-sale fixed maturity securities:				
U.S. treasury and government	$ 369	$ 310	$ 59	$ —
U.S. state and municipal	3,289	—	3,233	56
Foreign governments	2,042	—	2,042	—
Corporate debt securities	37,380	—	34,696	2,684
Residential mortgage-backed securities	1,310	—	1,291	19
Commercial mortgage-backed securities	3,320	—	3,245	75
Collateralized debt securities	6,092	—	3,447	2,645
Total available-for-sale fixed maturity securities	53,802	310	48,013	5,479
Equity securities:				
Common stock	3,412	2,858	2	552
Preferred stock	438	36	12	390
Private equity and other	4	—	—	4
Total equity securities	3,854	2,894	14	946
Investment real estate[1]	1,283	—	—	1,283
Real estate partnerships[1][2]	1,529	—	—	1,529
Investment funds[1][3]	124	—	—	124
Short-term investments	4,400	3,213	834	353
Other invested assets:				
Derivative assets	1,361	—	1,138	223
Separately managed accounts	71	—	—	71
Other[2]	319	—	11	308
Cash and cash equivalents	12,243	12,243	—	—
Reinsurance funds withheld – embedded derivative	18	—	—	18
Premiums due and other receivables – derivative asset	22	—	22	—
Other assets – market risk benefit assets	856	—	—	856
Separate account assets	1,312	258	1,054	—
Total financial assets	$ 81,194	$ 18,918	$ 51,086	$ 11,190
Financial liabilities				
Policyholders' account balances – embedded derivative	$ 1,123	$ —	$ —	$ 1,123
Market risk benefits	3,655	—	—	3,655
Funds withheld for reinsurance liabilities – embedded derivative	37	—	—	37
Other liabilities – derivative liabilities	27	—	27	—
Separate account liabilities	1,312	258	1,054	—
Total financial liabilities	$ 6,154	$ 258	$ 1,081	$ 4,815

(1) Balances include financial assets that are fair valued as a result of consolidation of investment company VIE in accordance with ASC 946.

(2) $1.5 billion of real estate partnerships and $171 million of other invested assets are financial assets that are fair valued in accordance with ASC 825.

(3) Balance for investment funds excludes those measured at estimated fair value using NAV per share as a practical expedient. As of December 31, 2024, the estimated fair values of investment funds measured at NAV as a practical expedient were $380 million.

Fair Value Information About Financial Instruments Not Recorded at Fair Value

Information about fair value estimates for financial instruments not recorded at fair value is discussed below:

Mortgage loans — The fair value of mortgage loans is estimated using discounted cash flow analyses on a loan-by-loan basis by applying a discount rate to expected cash flows from future installment and balloon payments. The discount rate takes into account general market trends and specific credit risk trends for the individual loan. Factors used to arrive at the discount rate include inputs from spreads based on U.S. Treasury notes and the loan's credit quality, region, property-type, lien priority, payment type and current status.

Private loans — The fair value of private loans is estimated using discounted cash flow analyses on a loan-by-loan basis by applying a discount rate to expected cash flows from future installment and balloon payments. The discount rate takes into account general market trends and specific credit risk trends for the individual loan.

Policy loans — The carrying value of policy loans is the outstanding balance plus any accrued interest. Due to the collateralized nature of policy loans such that they cannot be separated from the policy contracts, the unpredictable timing of repayments and the fact that settlement is at outstanding value, the carrying value of policy loans approximates fair value.

Other invested assets — The common stock of FHLB is carried at cost which approximates fair value. The fair value of the COLI is equal to the cash surrender value of the policies.

Corporate and non-recourse borrowings — Corporate and non-recourse borrowings are carried at outstanding principal balance. Fair values for subordinated debentures are estimated using discounted cash flow calculations principally based on observable inputs including the Company's incremental borrowing rates, which reflect its credit rating, for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

Notes payable — Notes payable are carried at outstanding principal balance. For a majority of the notes, the carrying value of the notes payable approximates fair value because the underlying interest rates approximate market rates at the reporting date.

Policyholders' account balances & deposit assets excluding embedded derivative — The fair values of the policyholders' account balances not involving significant mortality or morbidity risks, including funding agreements, are stated at the cost we would incur to extinguish the liability (i.e., the cash surrender value) as these contracts are generally issued without an annuitization date. The coinsurance deposits related to the annuity benefit reserves have fair values determined in a similar fashion. For period-certain annuity benefit contracts, the fair value is determined by discounting the benefits at the interest rates currently in effect for newly issued immediate annuity contracts. All of the fair values presented within these categories fall within Level 3 of the fair value hierarchy as most of the inputs are unobservable market data.

The carrying amount and estimated fair value of financial instruments not recorded at fair value are shown below. The table below excludes accrued investment income, which is recorded at amortized cost in the statements of financial position, as their carrying amounts approximate the fair values due to their short-term nature.

AS OF DEC. 31, 2025 US$ MILLIONS	Carrying Amount	Fair Value	FV Hierarchy Level		
			Level 1	Level 2	Level 3
Financial assets					
Mortgage loans on real estate, net of allowance	$ 11,231	$ 11,343	$ —	$ —	$ 11,343
Private loans, net of allowance	8,415	8,489	—	74	8,415
Policy loans	234	234	—	—	234
Deposit assets	5,440	5,352	—	—	5,352
Other invested assets, excluding derivatives and separately managed accounts	782	781	—	417	364
Total financial assets	**$ 26,102**	**$ 26,199**			
Financial liabilities					
Policyholders' account balances – investment contracts, excluding embedded derivative	$ 83,782	$ 83,782	—	—	83,782
Corporate and non-recourse borrowings	5,485	5,574	—	—	5,574
Notes payable	205	205	—	—	205
Total financial liabilities	**$ 89,472**	**$ 89,561**			

AS OF DEC. 31, 2024 US$ MILLIONS	Carrying Amount	Fair Value	FV Hierarchy Level		
			Level 1	Level 2	Level 3
Financial assets					
Mortgage loans on real estate, net of allowance	$ 12,426	$ 12,240	$ —	$ —	$ 12,240
Private loans, net of allowance	5,204	5,320	—	153	5,167
Policy loans	276	276	—	—	276
Deposit assets	6,165	6,026	—	—	6,026
Other invested assets, excluding derivatives and separately managed accounts	637	639	—	408	231
Total financial assets	$ 24,708	$ 24,501			
Financial liabilities					
Policyholders' account balances – investment contracts, excluding embedded derivative	$ 79,383	$ 79,383	—	—	79,383
Corporate and non-recourse borrowings	4,351	4,371	—	—	4,371
Notes payable	189	189	—	—	189
Total financial liabilities	$ 83,923	$ 83,943			

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For financial assets and financial liabilities measured at fair value on a recurring basis using Level 3 inputs during the periods, reconciliations of the beginning and ending balances are shown below:

	Assets			Liabilities	
US$ MILLIONS	Invested assets[1]	Derivative assets	Reinsurance funds withheld – embedded derivative	Policyholders' account balances – embedded derivative	Funds withheld for reinsurance liabilities – embedded derivative
Balance as of January 1, 2023	$ 2,489	$ 121	$ 154	$ (726)	$ —
Acquisitions from business combination	47	—	—	—	—
Fair value changes in net income	(171)	109	(200)	(96)	—
Fair value changes in other comprehensive income	389	—	—	—	—
Purchases	6,304	133	—	—	—
Sales	(4,611)	—	—	—	—
Settlements or maturities	—	(136)	—	—	—
Premiums less benefits	—	—	—	(50)	—
Balance as of December 31, 2023	$ 4,447	$ 227	$ (46)	$ (872)	$ —
Acquisitions from business combination	4,288	—	—	—	—
Derecognition[2]	—	—	(196)	—	—
Fair value changes in net income	(38)	125	260	(204)	(37)
Fair value changes in other comprehensive income	94	—	—	—	—
Purchases	3,132	147	—	—	—
Sales	(350)	—	—	—	—
Settlements or maturities	(935)	(276)	—	49	—
Premiums less benefits	—	—	—	(96)	—
Transfers into Level 3	367	—	—	—	—
Transfers out of Level 3	(912)	—	—	—	—
Balance as of December 31, 2024	$ 10,093	$ 223	$ 18	$ (1,123)	$ (37)
Fair value changes in net income	27	102	30	(31)	(37)
Fair value changes in other comprehensive income	47	—	—	—	—
Purchases	2,696	139	—	—	—
Sales	(2,209)	—	—	—	—
Settlements or maturities	(571)	(261)	—	—	—
Premiums less benefits	—	—	—	(194)	—
Transfers into Level 3	1,130	—	—	(5,066)	—
Transfers out of Level 3	$ (2,021)	$ —	$ —	$ —	$ —
Balance as of December 31, 2025	**$ 9,192**	**$ 203**	**$ 48**	**$ (6,414)**	**$ (74)**

(1) Include separately managed accounts.

(2) See Note 16 for the details of effective settlement of a reinsurance arrangement, resulting in the derecognition of reinsurance funds withheld.

There were no transfers between Level 1 or Level 2 during the periods presented. Transfers into and out of Level 3 for the year ended December 31, 2025 were primarily the result of changes in observable pricing. The Company's valuation of financial instruments categorized as Level 3 in the fair value hierarchy are based on valuation techniques that use significant inputs that are unobservable or had a decline in market activity that obscured observability. The indicators considered in determining whether a significant decrease in the volume and level of activity for a specific asset has occurred include the level of new issuances in the primary market, trading volume in the secondary market, the level of credit spreads over historical levels, applicable bid-ask spreads, and price consensus among market participants and other pricing sources. Level 3 assets and liabilities include financial instruments whose values are determined using pricing models and discounted cash flow methodology based on spread/yield assumptions.

The following summarizes the valuation techniques and significant unobservable inputs used for recurring Level 3 fair value measurements as of December 31, 2025:

Type of Asset	Valuation Techniques	Significant Unobservable Inputs	Range
Available-for-sale fixed maturity securities	• Discounted cash flows	• Discount rate	• 2% - 9%
Investment real estate and real estate partnerships	• Broker price opinions		
Short-term investments	• Discounted cash flows	• Discount rate	• 4% - 30%
Derivative assets	• Vendor sourced prices	• Equity index volatility • Forward price/dividend	
Separately managed accounts	• Current value method	• NCY EBITDA[(1)]	

(1) NCY EBITDA uses forecasted EBITDA expected to be achieved over the next calendar year.

NOTE 12. REINSURANCE

The Company reinsures its business through a diversified group of reinsurers (“**reinsurance ceded**”) and assumes certain businesses by entering into retrocession agreements with third-party insurers (“**reinsurance assumed**”). Under reinsurance ceded transactions, the Company remains liable to the extent its reinsurers do not meet their obligations under the reinsurance agreements. The Company monitors trends in arbitration and any litigation outcomes with its reinsurers. Collectability of reinsurance balances is evaluated by monitoring ratings and the financial strength of its reinsurers.

In addition, certain of our subsidiaries have intercompany reinsurance agreements. All intercompany balances arising from such intercompany reinsurance agreements are eliminated in full on consolidation.

The effect of reinsurance on the applicable line items on our statements of operations are as follows:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024	2023
Premiums earned:			
Gross amounts, including reinsurance assumed	**$ 5,820**	$ 9,869	$ 5,430
Reinsurance ceded	**(1,333)**	(1,602)	(1,293)
Net amount	**$ 4,487**	$ 8,267	$ 4,137
Other policy revenue:			
Gross amounts, including reinsurance assumed	**$ 1,106**	$ 902	$ 413
Reinsurance ceded	**(316)**	(121)	—
Net amount	**$ 790**	$ 781	$ 413
Policyholder benefits and claims incurred:			
Gross amounts, including reinsurance assumed	**$ (5,725)**	$ (11,432)	$ (4,769)
Reinsurance ceded	**1,236**	3,270	830
Net amount	**$ (4,489)**	$ (8,162)	$ (3,939)
Interest sensitive contract benefits:			
Gross amounts, including reinsurance assumed	**$ (2,331)**	$ (2,253)	$ (900)
Reinsurance ceded	**259**	379	213
Net amount	**$ (2,072)**	$ (1,874)	$ (687)
Change in fair value of market risk benefits:			
Gross amounts, including reinsurance assumed	**$ (800)**	$ (184)	$ 156
Reinsurance ceded	**75**	77	10
Net amount	**$ (725)**	$ (107)	$ 166

Reinsurance Ceded

Effective July 1, 2024, several ANGI subsidiaries entered into a coinsurance reinsurance agreement with a strong rated counterparty, whereby these subsidiaries ceded a diversified block of life business representing approximately $3.3 billion of insurance liabilities, which was recorded within “Reinsurance recoverables and deposit assets” on the statements of financial position.

Reinsurance Assumed

Effective November 14, 2025, a subsidiary of ANGI entered into a modified coinsurance agreement with a third-party insurer to reinsure a PRT group annuity contract. Business assumed under this agreement during 2025 was not significant.

Effective October 1, 2025, a subsidiary of ANGI entered into a coinsurance agreement with a third-party insurer in Japan, whereby this subsidiary reinsures certain policies on a flow basis. Business assumed under this agreement during 2025 was not significant.

Effective December 16, 2024, a subsidiary of ANGI entered into a PRT transaction under a coinsurance reinsurance agreement with a third-party insurer in the United Kingdom, whereby this subsidiary recognized approximately $1.3 billion of investments and insurance liabilities, which was recorded within “Future policy benefits” on the statements of financial position.

Effective September 3, 2021, NER Ltd. entered into a modified coinsurance arrangement with a third-party insurer to reinsurance a block of multi-year guarantee fixed annuities. Our reinsurance assumed exposure from this arrangement as of December 31, 2025 is “Reinsurance funds withheld” of $1.4 billion and “Deposit liabilities” of $1.4 billion as presented in the statements of financial position (2024 – $1.5 billion and $1.5 billion, respectively).

NOTE 13. SEPARATE ACCOUNT ASSETS AND LIABILITIES

The following table presents the change of the Company's separate account assets and liabilities:

AS OF AND FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024
Balance, beginning of year	**$ 1,343**	$ 1,189
Additions (deductions):		
Policyholder deposits	**65**	74
Net investment income	**87**	66
Net realized capital gains on investments	**57**	117
Policyholder benefits and withdrawals	**(649)**	(119)
Net transfer to general account	**(65)**	33
Policy charges	**(16)**	(17)
Total changes	**(521)**	154
Balance, end of year	**$ 822**	$ 1,343
Cash surrender value	**$ 794**	$ 724

NOTE 14. DEFERRED POLICY ACQUISITION COSTS, DEFERRED SALES INDUCEMENTS AND VALUE OF BUSINESS ACQUIRED

The following tables present a rollforward of DAC, deferred sales inducements ("**DSI**") and value of business acquired ("**VOBA asset**") for the periods indicated:

AS OF AND FOR THE YEAR ENDED DEC. 31, 2025 US$ MILLIONS	**Annuities**	**P&C**	**Life Insurance**	**Total**
DAC:				
Balance, beginning of year	$ 886	$ 184	$ 306	$ 1,376
Additions	1,121	406	105	1,632
Amortization	(114)	(424)	(34)	(572)
Net change	1,007	(18)	71	1,060
Balance, end of year	**$ 1,893**	**$ 166**	**$ 377**	**$ 2,436**
DSI:				
Balance, beginning of year	$ 393	$ —	$ —	$ 393
Additions	773	—	—	773
Amortization	(52)	—	—	(52)
Net change	721	—	—	721
Balance, end of period	**$ 1,114**	**$ —**	**$ —**	**$ 1,114**
VOBA asset:				
Balance, beginning of year	$ 8,838	$ 27	$ 62	$ 8,927
Amortization	(777)	(13)	(4)	(794)
Net change	(777)	(13)	(4)	(794)
Balance, end of year	**$ 8,061**	**$ 14**	**$ 58**	**$ 8,133**
Total DAC, DSI and VOBA asset	**$ 11,068**	**$ 180**	**$ 435**	**$ 11,683**

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AS OF AND FOR THE YEAR ENDED DEC. 31, 2024 US$ MILLIONS	Annuities	P&C	Life Insurance	Total
DAC:				
Balance, beginning of year	$ 1,314	$ 171	$ 217	$ 1,702
Additions	764	474	108	1,346
Derecognition[(1)]	(1,129)	—	—	(1,129)
Amortization	(63)	(461)	(19)	(543)
Net change	(428)	13	89	(326)
Balance, end of year	$ 886	$ 184	$ 306	$ 1,376
DSI:				
Balance, beginning of year	$ 257	$ —	$ —	$ 257
Additions	394	—	—	394
Derecognition[(1)]	(246)	—	—	(246)
Amortization	(12)	—	—	(12)
Net change	136	—	—	136
Balance, end of year	$ 393	$ —	$ —	$ 393
VOBA asset:				
Balance, beginning of year	$ 40	$ 168	$ 301	$ 509
Acquisition of business combination[(2)]	9,321	—	—	9,321
Derecognition[(3)]	—	—	(221)	(221)
Amortization	(523)	(141)	(18)	(682)
Net change	8,798	(141)	(239)	8,418
Balance, end of year	$ 8,838	$ 27	$ 62	$ 8,927
Total DAC, DSI and VOBA asset	$ 10,117	$ 211	$ 368	$ 10,696

(1) See Note 16 for the details of an effective settlement of a reinsurance arrangement, resulting in the derecognition of DAC and DSI.

(2) See Note 16 for the details of the measurement period adjustment to the VOBA asset included within this amount, which was recognized upon the Company's acquisition of AEL in May 2024.

(3) See Note 12 for details of a reinsurance transaction in relation to the Company's Life business at ANGI, resulting in the derecognition of a portion of the VOBA asset recognized upon the Company's acquisition of American National in May 2022.

AS OF AND FOR THE YEAR ENDED DEC. 31, 2023 US$ MILLIONS	Annuities	P&C	Life Insurance	Total
DAC:				
Balance, beginning of year	$ 886	$ 124	$ 86	$ 1,096
Additions	508	464	148	1,120
Amortization	(80)	(417)	(17)	(514)
Net change	428	47	131	606
Balance, end of year	$ 1,314	$ 171	$ 217	$ 1,702
DSI:				
Balance, beginning of year	$ 85	$ —	$ —	$ 85
Additions	182	—	—	182
Amortization	(10)	—	—	(10)
Net change	172	—	—	172
Balance, end of year	$ 257	$ —	$ —	$ 257
VOBA Asset:				
Balance, beginning of year	$ 26	$ 68	$ 310	$ 404
Acquisition of business combination	—	176	—	176
Additions	19	—	18	37
Amortization	(5)	(76)	(27)	(108)
Net change	14	100	(9)	105
Balance, end of year	40	168	301	509
Total DAC, DSI and VOBA Asset	$ 1,611	$ 339	$ 518	$ 2,468

The following table provides the projected VOBA asset amortization expenses for a five-year period and thereafter as of December 31, 2025:

Years	US$ MILLIONS
2026	$ 749
2027	680
2028	624
2029	569
2030	521
Thereafter	4,990
Total amortization expense	**$ 8,133**

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NOTE 15. INTANGIBLE ASSETS AND GOODWILL

(a) Intangible Assets

The components of definite-lived and indefinite-lived intangible assets are as follows. Refer to Note 14 for VOBA asset, which is an actuarial intangible asset arising from a business combination.

AS OF DEC. 31 US$ MILLIONS	2025 Gross Carrying Amount	2025 Accumulated Amortization	2025 Net Carrying Amount	2024 Gross Carrying Amount	2024 Accumulated Amortization	2024 Net Carrying Amount
Definite-lived intangible assets:						
Distributor relationships	**$ 1,467**	**$ (106)**	**$ 1,361**	$ 1,466	$ (43)	$ 1,423
Trade name	**71**	**(16)**	**55**	71	(9)	62
Unpaid claims reserve intangible asset	**103**	**(61)**	**42**	103	(37)	66
Software and other	**158**	**(54)**	**104**	85	(17)	68
Total definite-lived intangible assets	**1,799**	**(237)**	**1,562**	1,725	(106)	1,619
Indefinite-lived intangible assets:						
Insurance licenses	**63**	**—**	**63**	71	—	71
Total	**$ 1,862**	**$ (237)**	**$ 1,625**	$ 1,796	$ (106)	$ 1,690

No significant impairment expenses of intangible assets were recognized for the years ended December 31, 2025, 2024 and 2023. The Company estimates that its intangible assets do not have any significant residual value in determining their amortization. Amortization expenses were $131 million, $98 million, and $7 million for the years ended December 31, 2025, 2024, 2023, respectively.

The following table outlines the estimated future amortization expense related to definite-lived intangible assets held as of December 31, 2025.

Years	US$ MILLIONS
2026	$ 120
2027	103
2028	92
2029	79
2030	75
Thereafter	1,093
Total amortization expense	**$ 1,562**

(b) Goodwill

The changes in the carrying amount of goodwill by reporting segments were as follows:

US$ MILLIONS	**Annuity**	**P&C**	**Life Insurance**	**Total**
Goodwill, as of January 1, 2023	$ 41	$ 45	$ 35	$ 121
Acquisition from business combinations	—	—	—	—
Balance as of December 31, 2023	$ 41	$ 45	$ 35	$ 121
Acquisition from business combinations	662	—	—	662
Balance as of December 31, 2024	$ 703	$ 45	$ 35	$ 783
Acquisition from business combinations	—	—	—	—
Balance as of December 31, 2025	**$ 703**	**$ 45**	**$ 35**	**$ 783**

The Company performed its annual goodwill impairment tests as of October 1, 2025 and did not identify any impairment. There were no accumulated impairments associated with our goodwill as of December 31, 2025, 2024 and 2023.

NOTE 16. ACQUISITIONS

Pending Acquisition of Just Group plc

On July 31, 2025, the Company announced an agreement to acquire the entire issued and to be issued share capital of Just Group plc ("**Just Group**"), in an all-cash transaction for approximately £2.4 billion ($3.2 billion). Thereafter, on September 19, 2025, the shareholders of Just Group voted in favor of our acquisition. On March 23, 2026, the Company announced that all regulatory approvals have been received and that the acquisition is expected to close on April 1, 2026.

Acquisition of American Equity Investment Life Holdings Company in May 2024

On May 2, 2024, the Company, through its subsidiary American National, completed the acquisition of AEL, an Iowa corporation, by acquiring all of AEL's issued and outstanding common stock not already owned for a total consideration of approximately $4.0 billion comprised of $2.5 billion in cash and $1.1 billion of stock consideration in the form of class A limited voting shares of Brookfield Asset Management Ltd. ("**BAM Shares**"). The remaining consideration primarily relates to the previously held equity interest in AEL prior to the acquisition as well as the effective settlement of a previously held reinsurance agreement between AEL and NER SPC.

Subsequent to the acquisition, on May 7, 2024, American National completed a downstream merger with AEL and changed its name to American National Group Inc. and reincorporated as a Delaware corporation.

The acquired business operations of AEL, which are now part of ANGI, contributed revenues of $2.1 billion and a net income of $179 million to the Company for the period from May 2, 2024 to December 31, 2024. Had the acquisition occurred on January 1, 2023, the consolidated unaudited pro forma revenue and net income would be: (i) $14.9 billion and $1.9 billion, respectively, for the year ended December 31, 2024; and (ii) $9.4 billion and $813 million, respectively, for the year ended December 31, 2023. The pro forma amounts have been calculated using the subsidiary's results and adjusting them for the revised depreciation and amortization that would have been charged assuming the fair value adjustments to investments, property and equipment and intangible assets had applied from January 1, 2023, together with the consequential tax effects.

Accounting for the acquisition of AEL was finalized in the second quarter of 2025. As part of finalizing the valuations of certain assets and liabilities, we recognized measurement period adjustments to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Measurement period adjustments made were: (i) $45 million increase in both the VOBA asset and market risk benefits liability through the inclusion of updated mortality, base lapse and utilization assumptions related to AEL's market risk benefits liability as part of its annual assumptions review which took place in the third quarter of 2024; and (ii) $40 million decrease in intangible assets, $8 million increase in deferred tax asset and a $32 million increase in goodwill as a result of updating discount rate and tax assumptions relating to intangible assets. Goodwill recognized is not deductible for income tax purposes.

The following summarizes the consideration transferred, fair value of assets acquired and liabilities assumed as of the acquisition date:

	US$ MILLIONS
Fair value of consideration transferred:	
Cash	$ 2,525
BAM Shares transferred by the Company	1,111
Fair value of the Company's pre-existing reinsurance agreement effectively settled	(541)
Fair value of the Company's pre-existing interest in AEL	897
Total	**$ 3,992**
Assets acquired:	
Investments	$ 42,960
Cash and cash equivalents	13,367
Accrued investment income	414
Value of business acquired	9,321
Reinsurance recoverables and deposit assets	6,851
Property and equipment	42
Intangible assets	1,540
Other assets	671
Total assets acquired	**75,166**
Liabilities assumed:	
Future policy benefits	311
Policyholders' account balances	61,473
Market risk benefits	3,023
Notes payable	768
Non-recourse borrowings	84
Funds withheld for reinsurance liabilities	3,371
Other liabilities	2,093
Total liabilities assumed	**71,123**
Less: Non-controlling interest	713
Net assets acquired	**3,330**
Goodwill	**$ 662**

The Company identified that a reinsurance agreement between AEL and NER SPC constituted a pre-existing relationship in accordance with ASC 805 that would need to be effectively settled as part of the acquisition. The Company recognized an effective settlement loss of $48 million, as a result of derecognizing certain assets and liabilities in relation to the reinsurance agreement, which include deferred policy acquisition costs, deferred sales inducements, reinsurance funds withheld, policyholders' account balances and market risk benefits liability. The effective settlement loss was included in "Investment related gains (losses)" in the statements of operations for the year ended December 31, 2024. Concurrently, the Company derecognized NER SPC's accumulated other comprehensive loss pertaining to market risk benefits liability, recognizing an additional loss of $66 million in "Investment related gains (losses)" in the statements of operations for the year ended December 31, 2024.

The gain on disposal as a result of remeasuring to fair value the pre-existing equity interest in AEL immediately prior to the business combination was approximately $4 million, recognized in "Investment related gains (losses)" in the statements of operations for the year ended December 31, 2024.

Acquisition-related costs of $127 million were recorded as "Operating expenses" in the statements of operations when incurred for the year ended December 31, 2024.

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Acquisition of Clearbrook Group Holdings Inc. in November 2023

On November 16, 2023, the Company acquired Argo Group International Holdings, Ltd. On November 30, 2023, Argo Group International Holdings, Ltd. was re-domiciled to a U.S. corporation and changed its name to Argo Group International Holdings, Inc. (renamed to Clearbrook Group Holdings Inc. in January 2026). Clearbrook is an underwriter of specialty insurance products in the property and casualty market. Upon closing of the acquisition, the Company acquired 100% of all Clearbrook's issued and outstanding shares in exchange for $30 per share in an all-cash transaction for $1.1 billion. The Company acquired all assets and assumed all liabilities of Clearbrook as of the closing date, and consolidates the business for financial statement purposes.

The acquired business contributed revenues of $191 million and net income of $1 million to the Company for the period from November 16, 2023 to December 31, 2023. Had the acquisition occurred on January 1, 2023, the consolidated unaudited pro forma revenue and net income would be $8.3 billion and $587 million, respectively, for the year ended December 31, 2023. The pro forma amounts have been calculated using the subsidiary's results and adjusting them for the revised depreciation and amortization that would have been charged assuming the fair value adjustments to investments, property and equipment and intangible assets had applied from January 1, 2023, together with the consequential tax effects.

The initial acquisition accounting resulted in a bargain purchase gain, which represents the excess of the fair value of net assets acquired over the purchase price, which was deferred by recognizing a provisional deferred credit of $51 million within "Other liabilities" on the statements of financial position.

Upon finalizing the valuations of certain assets and liabilities, we eliminated the deferred bargain purchase gain of $51 million by increasing the deferred tax asset and liabilities for unpaid claims and claim adjustment expenses by $14 million and $65 million, respectively.

The following summarizes the consideration transferred, as well as the fair value of assets acquired and liabilities assumed as of the acquisition date, the valuation of which was finalized in the fourth quarter of 2024:

		US$ MILLIONS
Cash consideration transferred	**$**	**1,059**
Assets acquired:		
Investments	$	3,460
Cash and cash equivalents		713
Accrued investment income		17
Value of business acquired		176
Reinsurance funds withheld		20
Premiums due and other receivables		332
Ceded unearned premiums		388
Deferred tax asset		68
Reinsurance recoverables		2,982
Property and equipment		85
Intangible assets		186
Other assets		166
Total assets acquired		**8,593**
Liabilities assumed:		
Policy and contract claims		5,591
Unearned premium reserve		986
Non-recourse borrowings		369
Other liabilities		451
Total liabilities assumed		**7,397**
Less: Non-controlling interest		137
Net assets acquired	**$**	**1,059**

Acquisition-related costs of $13 million were recorded as "Operating expenses" in the statements of operations when incurred for the year ended December 31, 2023.

NOTE 17. FUTURE POLICY BENEFITS

The reconciliation of the balances described in the table below to the “Future policy benefits” in the statements of financial position is as follows.

AS OF DEC. 31 US$ MILLIONS	**2025**	2024
Future policy benefits:		
Annuities	**$ 12,277**	$ 10,287
Life Insurance	**1,917**	1,816
Deferred profit liability:		
Annuities	**226**	242
Life Insurance	**99**	76
Other contracts and VOBA liability	**1,730**	1,667
Total future policy benefits	**$ 16,249**	$ 14,088

The balances and changes in the liability for future policy benefits are as follows:

AS OF AND FOR THE YEAR ENDED DEC. 31, 2025 US$ MILLIONS, EXCEPT FOR YEARS AND PERCENTAGES	Annuities	Life Insurance	Total
Present value of expected net premiums:			
Balance, beginning of year	$ —	$ 2,353	**$ 2,353**
Beginning balance at original discount rate	—	2,507	**2,507**
Effect of changes in cash flow assumptions	—	71	**71**
Effect of actual variances from expected experience	(25)	(97)	**(122)**
Adjusted beginning of period balance	(25)	2,481	**2,456**
Issuances	1,844	14	**1,858**
Interest accrual	13	95	**108**
Net premiums collected	(1,837)	(288)	**(2,125)**
Derecognitions (lapses and withdrawals)	5	—	**5**
Ending balance at original discount rate	—	2,302	**2,302**
Effect of changes in discount rate assumptions	—	(119)	**(119)**
Balance, end of year	$ —	$ 2,183	**$ 2,183**
Present value of expected future policy benefits			
Balance, beginning of year	$ 10,287	$ 4,169	**$ 14,456**
Beginning balance at original discount rate	10,518	4,601	**15,119**
Effect of changes in cash flow assumptions[(1)]	23	74	**97**
Effect of actual variances from expected experience	(47)	(75)	**(122)**
Adjusted beginning of period balance	10,494	4,600	**15,094**
Issuances	2,045	14	**2,059**
Interest accrual	492	177	**669**
Benefit payments	(964)	(332)	**(1,296)**
Derecognitions (lapses and withdrawals)	39	—	**39**
Foreign currency translation	319	—	**319**
Ending balance at original discount rate	12,425	4,459	**16,884**
Effect of changes in discount rate assumptions	(148)	(359)	**(507)**
Balance, end of year	$ 12,277	$ 4,100	**$ 16,377**
Net liability for future policy benefits	12,277	1,917	**14,194**
Less: Reinsurance recoverables	(11)	(1,269)	**(1,280)**
Net liability for future policy benefits, after reinsurance recoverable	**$ 12,266**	**$ 648**	**$ 12,914**
Weighted average liability duration of future policy benefits (years)	**8**	**14**	
Weighted average interest accretion rate	**5 %**	**5 %**	
Weighted average current discount rate	**5 %**	**6 %**	

(1) For the year ended December 31, 2025, the Company recognized liability remeasurement losses of $112 million from the net effect of the changes in cash flow assumptions, which were included in "Policyholder benefits and claims incurred" in the statements of operations.

AS OF AND FOR THE YEAR ENDED DEC. 31, 2024 US$ MILLIONS, EXCEPT FOR YEARS AND PERCENTAGES	Annuities	Life Insurance	Total
Present value of expected net premiums			
Balance, beginning of year	$ —	$ 3,145	$ 3,145
Beginning balance at original discount rate	—	3,253	3,253
Effect of changes in cash flow assumptions	—	(244)	(244)
Effect of actual variances from expected experience	11	(343)	(332)
Adjusted beginning of period balance	11	2,666	2,677
Issuances	3,616	48	3,664
Interest accrual	20	112	132
Net premiums collected	(3,647)	(320)	(3,967)
Derecognitions (lapses and withdrawals)	—	1	1
Ending balance at original discount rate	—	2,507	2,507
Effect of changes in discount rate assumptions	—	(154)	(154)
Balance, end of year	$ —	$ 2,353	$ 2,353
Present value of expected future policy benefits			
Balance, beginning of year	$ 5,731	$ 5,040	$ 10,771
Beginning balance at original discount rate	5,909	5,277	11,186
Effect of changes in cash flow assumptions[1]	31	(236)	(205)
Effect of actual variances from expected experience	9	(369)	(360)
Adjusted beginning of period balance	5,949	4,672	10,621
Acquisition from business combination	311	—	311
Issuances	4,947	49	4,996
Interest accrual	326	190	516
Benefit payments	(695)	(311)	(1,006)
Derecognitions (lapses and withdrawals)	23	1	24
Foreign currency translation	(343)	—	(343)
Ending balance at original discount rate	10,518	4,601	15,119
Effect of changes in discount rate assumptions	(231)	(432)	(663)
Balance, end of year	$ 10,287	$ 4,169	$ 14,456
Net liability for future policy benefits	10,287	1,816	12,103
Less: Reinsurance recoverables	(16)	(1,298)	(1,314)
Net liability for future policy benefits, after reinsurance recoverable	$ 10,271	$ 518	$ 10,789
Weighted average liability duration of future policy benefits (years)	9	15	
Weighted average interest accretion rate	5 %	5 %	
Weighted average current discount rate	5 %	6 %	

(1) For the year ended December 31, 2024, the Company recognized liability remeasurement losses of $60 million from the net effect of the changes in cash flow assumptions, which were included in “Policyholder benefits and claims incurred” in the statements of operations.

AS OF AND FOR THE YEAR ENDED DEC. 31, 2023 US$ MILLIONS, EXCEPT FOR YEARS AND PERCENTAGES	Annuities	Life Insurance	Total
Present value of Expected Net Premiums			
Balance, beginning of year	$ —	$ 3,520	$ 3,520
Beginning balance at original discount rate	—	3,825	3,825
Effect of changes in cash flow assumptions	—	(352)	(352)
Effect of actual variances from expected experience	2	(58)	(56)
Adjusted beginning of period balance	2	3,415	3,417
Issuances	1,448	91	1,539
Interest accrual	12	121	133
Net premiums collected	(1,462)	(374)	(1,836)
Ending balance at original discount rate	—	3,253	3,253
Effect of changes in discount rate assumptions	—	(108)	(108)
Balance, end of year	$ —	$ 3,145	$ 3,145
Present value of Expected Future Policy Benefits			
Balance, beginning of year	$ 4,252	$ 5,330	$ 9,582
Beginning balance at original discount rate	4,673	5,875	10,548
Effect of changes in cash flow assumptions[1]	(17)	(362)	(379)
Effect of actual variances from expected experience	(29)	(59)	(88)
Adjusted beginning of period balance	4,627	5,454	10,081
Issuances	1,457	92	1,549
Interest accrual	209	188	397
Benefit payments	(464)	(457)	(921)
Foreign currency translation	80	—	80
Ending balance at original discount rate	5,909	5,277	11,186
Effect of changes in discount rate assumptions	(178)	(237)	(415)
Balance, end of year	$ 5,731	$ 5,040	$ 10,771
Net liability for future policy benefits	5,731	1,895	7,626
Less: Reinsurance recoverables	(50)	(45)	(95)
Net liability for future policy benefits, after reinsurance recoverable	$ 5,681	$ 1,850	$ 7,531
Weighted average liability duration of future policy benefits (years)	9	16	
Weighted average interest accretion rate	4 %	5 %	
Weighted average current discount rate	5 %	5 %	

(1) For the year ended December 31, 2023, the Company recognized liability remeasurement gains of $3 million from the net effect of the changes in cash flow assumptions, which were included in “Policyholder benefits and claims incurred” in the statements of operations.

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The Company performed its annual assumptions review during the third quarter of 2025 and 2024. In 2025, we updated mortality and other policyholder behavior assumptions, which resulted in a $31 million increase to net future policy benefit liabilities. In 2024, our annual assumptions review resulted in a $14 million decrease in net future policy benefit liabilities. In 2023, our annual assumptions review was conducted in the fourth quarter, which resulted in no material changes to the value of net future policy benefits liabilities.

The amounts of undiscounted and discounted expected gross premiums and future benefit payments follow:

AS OF DEC. 31 US$ MILLIONS	**2025**		2024	
	Undiscounted	**Discounted**	Undiscounted	Discounted
Annuities:				
Expected future benefit payments	**$ 20,609**	**$ 12,274**	$ 17,462	$ 10,263
Expected future gross premiums	**—**	**—**	—	—
Life Insurance:				
Expected future benefit payments	**$ 8,432**	**$ 4,100**	$ 8,819	$ 4,169
Expected future gross premiums	**5,265**	**3,105**	5,669	3,356
Total:				
Expected future benefit payments	**$ 29,041**	**$ 16,374**	$ 26,281	$ 14,432
Expected future gross premiums	**5,265**	**3,105**	5,669	3,356

The amount of revenue and interest recognized in the statements of operations follows:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**Gross Premiums or Assessments**			**Interest Expense**		
	2025	2024	2023	**2025**	2024	2023
Annuities	**$ 1,864**	$ 5,058	$ 1,501	**$ 486**	$ 315	$ 153
Life Insurance	**401**	436	453	**82**	78	94

NOTE 18. POLICYHOLDERS' ACCOUNT BALANCES

Policyholders' account balances relate to investment-type contracts and universal life-type policies as well as balances relating to funding agreements. Investment-type contracts principally include traditional individual fixed rate annuities and fixed index annuities in the accumulation phase and non-variable group annuity contracts.

The reconciliation of the balances described in the table below to the "Policyholders' account balances" in the statements of financial position is as follows.

AS OF DEC. 31 US$ MILLIONS	**2025**	2024
Policyholders' account balances:		
Annuities	**$ 89,371**	$ 80,046
Life Insurance	**2,193**	2,107
Embedded derivative adjustments and other[(1)]	**1,428**	926
Total policyholders' account balances	**$ 92,992**	$ 83,079

(1) "Embedded derivative adjustments and other" line reconciles the account balances as presented in the rollforward within this note to the gross liability as presented in the statements of financial position and includes the fair value of the embedded derivatives.

The balances and changes in policyholders' account balances follow.

AS OF AND FOR THE YEAR ENDED DEC. 31, 2025 US$ MILLIONS	Annuities	Life Insurance	Total
Balance, beginning of year	$ 80,046	$ 2,107	**$ 82,153**
Issuances	18,684	42	**18,726**
Premiums received	109	432	**541**
Policy charges	(619)	(367)	**(986)**
Surrenders and withdrawals	(10,827)	(123)	**(10,950)**
Interest credited	3,097	102	**3,199**
Benefit payments	(1,126)	—	**(1,126)**
Other	7	—	**7**
Balance, end of year	**$ 89,371**	**$ 2,193**	**$ 91,564**
Weighted average crediting rate	**4 %**	**5 %**	
Net amount at risk[(1)]	**$ 13,419**	**$ 39,405**	
Cash surrender value	**$ 80,202**	**$ 1,965**	

AS OF AND FOR THE YEAR ENDED DEC. 31, 2024 US$ MILLIONS	Annuities	Life Insurance	Total
Balance, beginning of year	$ 22,456	$ 1,975	$ 24,431
Acquisition from business combination[(2)]	61,296	—	61,296
Issuances	11,647	62	11,709
Derecognition[(3)]	(7,402)	—	(7,402)
Premiums received	113	423	536
Policy charges	(463)	(374)	(837)
Surrenders and withdrawals	(9,221)	(66)	(9,287)
Interest credited	2,484	87	2,571
Benefit payments	(671)	—	(671)
Other	(193)	—	(193)
Balance, end of year	$ 80,046	$ 2,107	$ 82,153
Weighted average crediting rate	4 %	4 %	
Net amount at risk[(1)]	$ 12,475	$ 38,733	
Cash surrender value	$ 73,832	$ 1,860	

(1) Net amount at risk is defined as the current guarantee amount in excess of the current account balance.

(2) The difference between the amount shown in this table and the policyholders' account balance included in Note 16 represents $177 million of liabilities relating to supplemental contracts.

(3) See Note 16 for the details of an effective settlement of a reinsurance arrangement, resulting in the derecognition of certain policyholders' account balances.

AS OF AND FOR THE YEAR ENDED DEC. 31, 2023 US$ MILLIONS	Annuities	Life Insurance	Total
Balance, beginning of year	$ 17,845	$ 1,899	$ 19,744
Issuances	4,559	84	4,643
Premiums received	2,021	399	2,420
Policy charges	(76)	(362)	(438)
Surrenders and withdrawals	(2,400)	(110)	(2,510)
Interest credited	472	65	537
Benefit payments	(35)	—	(35)
Other	70	—	70
Balance, end of year	$ 22,456	$ 1,975	$ 24,431
Weighted average crediting rate	2 %	3 %	
Net amount at risk(1)	$ 1,285	$ 38,365	
Cash surrender value	$ 21,780	$ 1,796	

(1) Net amount at risk is defined as the current guarantee amount in excess of the current account balance.

The balance of account values by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums follow.

AS OF DEC. 31, 2025 US$ MILLIONS	Range of Guaranteed Minimum Crediting Rate	At Guaranteed Minimum	1 - 50 Basis Points Above	51 - 150 Basis Points Above	> 150 Basis Points Above	Other(1)	Total
Annuities	0% - 1%	$ 3,380	$ 2,553	$ 4,245	$ 5,572	$ —	**$ 15,750**
	1% - 2%	1,876	278	862	1,193	—	**4,209**
	2% - 3%	1,918	470	256	14,748	—	**17,392**
	Greater than 3%	258	5	8	10	—	**281**
	Other(1)	—	—	—	—	51,739	**51,739**
	Total	**$ 7,432**	**$ 3,306**	**$ 5,371**	**$ 21,523**	**$ 51,739**	**$ 89,371**
Life Insurance	1% - 2%	$ 39	$ 2	$ 70	$ 847	$ —	**$ 958**
	2% - 3%	418	—	219	—	—	**637**
	Greater than 3%	598	—	—	—	—	**598**
	Total	**$ 1,055**	**$ 2**	**$ 289**	**$ 847**	**$ —**	**$ 2,193**

(1) Other includes products with either a fixed rate or no guaranteed minimum crediting rate or allocated to index strategies.

AS OF DEC. 31, 2024 US$ MILLIONS	Range of Guaranteed Minimum Crediting Rate	At Guaranteed Minimum	1 - 50 Basis Points Above	51 - 150 Basis Points Above	> 150 Basis Points Above	Other[1]	Total
Annuities	0% - 1%	$ 3,963	$ 2,838	$ 3,768	$ 4,787	$ —	$ 15,356
	1% - 2%	1,501	341	1,159	1,826	—	4,827
	2% - 3%	1,839	411	159	9,321	—	11,730
	Greater than 3%	282	7	2	9	—	300
	Other[1]	—	—	—	—	47,833	47,833
	Total	$ 7,585	$ 3,597	$ 5,088	$ 15,943	$ 47,833	$ 80,046
Life Insurance	1% - 2%	$ 32	$ 2	$ 60	$ 735	$ —	$ 829
	2% - 3%	422	—	222	—	—	644
	Greater than 3%	634	—	—	—	—	634
	Total	$ 1,088	$ 2	$ 282	$ 735	$ —	$ 2,107

(1) Other includes products with either a fixed rate or no guaranteed minimum crediting rate or allocated to index strategies.

The Company performed its annual assumptions review during the third quarter of 2025 and 2024. In 2025, we updated assumptions relating to option budget, risk margins and policyholder lapse rates, which resulted in a $276 million net decrease to the value of net policyholders' account balances. In 2024, our annual assumptions review resulted in a $60 million increase in the net policyholders' account balances. In 2023, the Company performed its annual assumptions review in the fourth quarter, resulting in no material changes to the value of net policyholders' account balances.

NOTE 19. MARKET RISK BENEFITS

The net balance of market risk benefit assets and liabilities of, and changes in guaranteed minimum withdrawal benefits associated with, annuity contracts follows.

AS OF AND FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024	2023
Balance, beginning of year	**$ 2,799**	$ 55	$ 114
Balance, beginning of year, before effect of changes in the instrument-specific credit risk	**2,549**	39	112
Acquisition from business combination[1]	**—**	2,420	—
Derecognition[2]	**—**	(129)	—
Issuance	**(8)**	7	89
Interest accrual	**150**	103	6
Attributed fees collected	**265**	159	45
Benefits payments	**—**	—	—
Effect of changes in interest rates	**12**	(112)	(106)
Effect of changes in equity markets	**161**	30	70
Effect of changes in equity index volatility	**(48)**	(119)	(129)
Effect of changes in future expected policyholder behavior	**57**	2	(13)
Effect of changes in other future expected assumptions	**211**	83	(33)
Balance, end of year, before effect of changes in the instrument-specific credit risk	**3,349**	2,483	41
Effect of changes in the ending instrument-specific credit risk	**13**	316	14
Balance, end of year	**3,362**	2,799	55
Less: Reinsured MRB, end of year	**(599)**	(526)	—
Balance, end of year, net of reinsurance	**$ 2,763**	$ 2,273	$ 55
Net amount at risk[3]	**$ 12,962**	$ 12,051	$ 868
Weighted-average attained age of contract holders (years)	**71**	71	66

(1) See Note 16 for the details of the measurement period adjustment to market risk benefits liability included within the 2024 amount, which was assumed upon the Company's acquisition of AEL in May 2024.

(2) See Note 16 for the details of an effective settlement of a reinsurance arrangement, resulting in the derecognition of certain market risk benefit balances.

(3) Net amount at risk is defined as the current guarantee amount in excess of the current account balance.

The reconciliation of market risk benefits by amounts in an asset position and in a liability position to the "Market risk benefits" amount in the statements of financial position follows.

AS OF DEC. 31 US$ MILLIONS	**2025**			2024		
	Asset	**Liability**	**Net**	Asset	Liability	Net
Market risk benefits	**$ 1,174**	**$ (4,536)**	**$ (3,362)**	$ 856	$ (3,655)	$ (2,799)

The Company performed its annual assumptions review during the third quarter of 2025 and 2024. In 2025, we updated assumptions related to option budget, utilization and policyholder lapse rates, resulting in a $202 million net increase to market risk benefits liability, net of market risk benefits asset and reinsured MRB. In 2024, our annual assumptions review resulted in a $40 million decrease in the net market risk benefits liability. In 2023, the Company performed its annual assumptions review in the fourth quarter, resulting in no material changes to the net market risk benefits liability.

The following summarizes the valuation technique and significant unobservable inputs used for the fair value measurement of market risk benefits as of December 31, 2025:

Valuation Techniques	Significant Unobservable Inputs	Range
Discounted cash flows	Utilization	0% - 52%
	Option budget	1% - 4%
	Non-performance risk	0% - 2%
	Mortality rates	0% - 46%
	Lapse rates	0% - 43%

NOTE 20. LIABILITY FOR UNPAID CLAIMS AND CLAIM ADJUSTMENT EXPENSES

The liability for unpaid claims and claim adjustment expenses ("**unpaid claims**") for property and casualty insurance is included in "Policy and contract claims" in the statements of financial position and is the amount estimated for incurred but not reported claims ("**IBNR**") claims and claims that have been reported but not settled ("**case reserves**"), as well as associated claim adjustment expenses.

Information regarding the liability for unpaid claims is shown below:

AS OF AND FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024	2023
Policy and contract claims, beginning	**$ 7,659**	$ 7,288	$ 1,786
Less: Unpaid claims balance, beginning – long-duration	**219**	198	217
Gross unpaid claims balance, beginning – short-duration	**7,440**	7,090	1,569
Less: Reinsurance recoverables, beginning	**3,083**	3,045	305
Less: Foreign currency translation	**1**	4	—
Net balance, beginning – short-duration	**4,356**	4,041	1,264
Acquisition from business combination, net of reinsurance	**—**	1	2,735
Add: incurred related to			
Current accident year	**1,647**	2,198	1,653
Prior accident years	**69**	162	(80)
Total incurred claims	**1,716**	2,360	1,573
Less: paid claims related to			
Current accident year	**733**	853	998
Prior accident years	**1,106**	1,258	533
Total paid claims	**1,839**	2,111	1,531
Add: measurement period adjustment[1]	**—**	65	—
Net unpaid claims balance, ending – short-duration	**4,233**	4,356	4,041
Add: Foreign currency translation	**2**	1	4
Add: Reinsurance recoverables, ending	**2,742**	3,083	3,045
Gross unpaid claims balance, ending – short-duration	**6,977**	7,440	7,090
Add: Unpaid claims balance, ending – long-duration	**300**	219	198
Policy and contract claims, ending	**$ 7,277**	$ 7,659	$ 7,288

(1) The measurement period adjustment of $65 million arose from finalizing the valuations of certain assets acquired and liabilities assumed from the Company's acquisition of Clearbrook in November 2023. Refer to Note 16 for details.

The estimates for ultimate incurred claims attributable to insured events of prior years increased by $69 million, increased by $162 million and decreased by $80 million, respectively, for the years ended December 31, 2025, 2024 and 2023. The unfavorable development in 2025 was primarily related to higher-than-anticipated losses within certain casualty lines, which were partially offset by favorable development in our specialty and property lines. The unfavorable development in 2024 was primarily related to higher-than-anticipated losses within certain run-off lines, which were partially offset by favorable current accident loss experience. The favorable development in 2023 was primarily driven by favorable loss experience noted in our casualty lines.

Claims and Claim Adjustment Expenses

The claims development tables as of December 31, 2025 are presented separately for each of the following major property and casualty lines of business:

- **Property** – offers policies protecting various personal and commercial properties from man-made and natural disasters, including property insurance for homeowners and renters
- **Casualty** – includes a broad range of primary and excess casualty products, such as specialty casualty, construction defect, general liability, commercial multi-peril, workers compensation, product liability, environmental liability and auto liability
- **Specialty** – includes niche insurance coverages such as garage and inland marine and offer insurance programs and fronting solutions
- **Run-off and Other** – primarily consists of discontinued businesses previously underwritten by our insurance subsidiaries (e.g., professional liability and surety coverages)

The reconciliation of the net incurred and paid claims development tables to the "Policy and contract claims" in the statement of financial position follows.

AS OF DEC. 31 US$ MILLIONS		2025
Net outstanding liabilities:		
Property	$	124
Casualty		2,732
Specialty		259
Run-off and Other		1,058
Other short-duration lines not included in claims development table(1)		6
Total liabilities for unpaid claims and claim adjustment expenses, net of reinsurance		**4,179**
Reinsurance recoverable on unpaid claims:		
Property		39
Casualty		1,126
Specialty		456
Run-off and Other		1,059
Other short-duration lines not included in claims development table(1)		62
Total reinsurance recoverable on unpaid claims		**2,742**
Insurance lines other than short-duration		300
Unallocated claims adjustment expenses		56
Total gross liability for unpaid claims and claims adjustment expenses	**$**	**7,277**

(1) Certain lines of business were excluded from claims development tables and other disclosures that are applicable to short-duration contracts due to significantly longer claims development period (e.g., for claim coverages relating to accident years prior to the mid-1990s) or individually insignificant lines of business that do not fall under the Company's four major property and casualty lines.

The amounts of incurred and paid claims are presented net of reinsurance. The tables present claims development and cumulative claim payments by incurred year and are only presented for significant short-duration product liabilities. The information about incurred and paid claims development prior to 2025 is presented as supplementary information. The cumulative number of reported claims is calculated on a per claim basis.

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Property Line of Business

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										As of December 31, 2025	
	Years ended December 31,											
	(unaudited)											
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	IBNR & Expected Development on Reported Losses	Cumulative Number of Reported Claims
2016	$ 216	$ 216	$ 215	$ 215	$ 215	$ 215	$ 216	$ 216	$ 216	$ 216	$ —	65,275
2017		229	227	226	225	225	225	224	224	224	—	82,454
2018			248	244	243	243	243	243	243	243	—	66,887
2019				247	242	241	241	241	241	241	—	65,822
2020					237	230	229	229	231	230	—	53,119
2021						269	267	268	268	267	—	56,524
2022							343	348	351	349	—	56,679
2023								413	402	397	2	64,876
2024									411	398	11	58,855
2025										330	42	36,825
									Total	**$ 2,895**		

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance									
	Years ended December 31,									
	(unaudited)									
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2016	$ 192	$ 213	$ 214	$ 214	$ 215	$ 215	$ 215	$ 215	$ 215	$ 216
2017		205	225	225	225	225	225	224	224	224
2018			218	242	242	242	242	243	243	243
2019				218	238	239	240	240	241	241
2020					204	228	228	229	230	230
2021						235	266	267	267	267
2022							298	344	348	347
2023								333	389	393
2024									323	374
2025										246
									Total	**$ 2,781**
									All outstanding liabilities before 2016, net of reinsurance	10
									Liabilities for claims and claim adjustment expenses, net of reinsurance	**$ 124**

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Casualty Line of Business

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										As of December 31, 2025	
	Years ended December 31, (unaudited)											
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	IBNR & Expected Development on Reported Losses	Cumulative Number of Reported Claims
2016	$ 591	$ 578	$ 561	$ 544	$ 539	$ 542	$ 521	$ 515	$ 515	$ 524	$ 19	52,593
2017		644	634	630	629	653	541	608	618	618	34	63,102
2018			708	698	667	651	598	572	584	595	34	67,092
2019				732	713	691	804	580	573	599	47	61,719
2020					672	616	578	579	600	622	69	48,562
2021						756	732	725	723	756	114	52,957
2022							855	834	820	820	171	51,257
2023								936	928	964	261	61,196
2024									900	928	359	64,500
2025										902	547	54,418
									Total	**$ 7,328**		

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance									
	Years ended December 31, (unaudited)									
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2016	$ 123	$ 230	$ 312	$ 386	$ 425	$ 459	$ 470	$ 476	$ 484	$ 487
2017		129	277	364	448	503	525	539	563	568
2018			144	301	399	460	495	509	524	538
2019				149	307	391	441	477	498	520
2020					128	249	319	381	444	494
2021						153	310	401	480	561
2022							167	339	444	536
2023								203	403	541
2024									181	375
2025										158
									Total	**$ 4,778**
									All outstanding liabilities before 2016, net of reinsurance	182
									Liabilities for claims and claim adjustment expenses, net of reinsurance	**$ 2,732**

Specialty Line of Business

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										As of December 31, 2025	
	Years ended December 31, (unaudited)											
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	IBNR & Expected Development on Reported Losses	Cumulative Number of Reported Claims
2016	$ 41	$ 41	$ 41	$ 45	$ 44	$ 44	$ 42	$ 42	$ 42	$ 41	$ —	31,114
2017		65	67	69	74	76	72	68	69	71	—	39,973
2018			92	94	92	96	88	85	86	87	4	38,640
2019				105	99	96	84	86	87	82	1	36,443
2020					99	107	135	145	143	147	9	31,607
2021						128	150	150	153	149	19	27,339
2022							191	194	199	190	34	25,421
2023								145	139	133	22	30,520
2024									124	100	22	30,127
2025										110	63	18,424
									Total	**$ 1,110**		

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance									
	Years ended December 31, (unaudited)									
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2016	$ 19	$ 29	$ 35	$ 40	$ 41	$ 42	$ 40	$ 41	$ 41	$ 41
2017		25	39	50	60	66	67	68	69	71
2018			32	51	63	74	79	81	83	85
2019				31	52	64	75	79	82	79
2020					31	63	93	107	118	126
2021						34	84	97	112	119
2022							52	103	129	143
2023								53	87	96
2024									42	64
2025										29
									Total	**$ 853**
									All outstanding liabilities before 2016, net of reinsurance	2
									Liabilities for claims and claim adjustment expenses, net of reinsurance	**$ 259**

Run-off and Other Line of Business

	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										As of December 31, 2025	
	Years ended December 31, (unaudited)											
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	IBNR & Expected Development on Reported Losses	Cumulative Number of Reported Claims
2016	$ 588	$ 588	$ 604	$ 604	$ 602	$ 617	$ 590	$ 594	$ 595	$ 587	$ 7	62,040
2017		690	665	696	717	745	709	703	698	715	10	71,389
2018			635	743	728	751	758	773	785	775	32	70,149
2019				607	671	709	586	598	623	614	44	64,996
2020					686	674	629	702	745	752	57	65,396
2021						635	588	618	660	638	86	56,643
2022							541	558	570	576	89	55,138
2023								646	669	668	60	63,433
2024									540	574	184	55,706
2025										141	7	26,202
									Total	**$ 6,040**		

	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance									
	Years ended December 31, (unaudited)									
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2016	$ 200	$ 251	$ 417	$ 497	$ 519	$ 573	$ 575	$ 581	$ 577	$ 577
2017		317	410	531	600	661	677	674	693	687
2018			226	464	537	604	670	687	729	729
2019				225	428	475	502	528	552	610
2020					352	412	471	537	601	639
2021						247	359	417	490	516
2022							206	321	360	412
2023								277	425	491
2024									238	352
2025										104
									Total	**$ 5,117**
									All outstanding liabilities before 2016, net of reinsurance	135
									Liabilities for claims and claim adjustment expenses, net of reinsurance	**$ 1,058**

For short-duration health insurance claims, the total of IBNR plus expected development on reported claims included in the liability for unpaid claims as of December 31, 2025 and 2024 were $6 million and $7 million, respectively.

Claims Duration

The following table provides supplementary information about the 10-year average annual percentage payout of incurred claims as of December 31, 2025:

	Average Annual Percentage Payout of Incurred Claims by Age, Net of Reinsurance									
AS OF DEC. 31, 2025	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Property	88.0 %	11.2 %	0.4 %	0.2 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Casualty	21.2 %	22.2 %	13.8 %	11.2 %	8.2 %	4.8 %	2.6 %	1.9 %	1.2 %	0.8 %
Specialty	33.5 %	24.5 %	13.8 %	11.1 %	5.9 %	2.9 %	1.8 %	1.6 %	1.0 %	0.7 %
Run-off and Other	42.3 %	19.2 %	13.5 %	8.8 %	5.7 %	3.7 %	2.4 %	1.6 %	1.0 %	0.7 %

Information about Amounts Reported at Present Value

The Company discounts the liability for unpaid claims relating to certain of its products within Casualty line of business as well as certain pension-type liabilities within the Run-off and Other line. The following tables provide information about these discounted liabilities for unpaid claims:

AS OF DEC. 31 US$ MILLIONS	Carrying Amount of Policy and Contract Claims		Aggregate Amount of Discount	
	2025	2024	**2025**	2024
Casualty	**$ 209**	$ 197	**$ 118**	$ 17
Run-off and Other	**14**	82	**1**	5
Total	**$ 223**	$ 279	**$ 119**	$ 22

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	Interest Accretion(1)(2)		
	2025	2024	2023
Casualty(3)	**$ 2**	$ 2	$ —
Run-off and Other	**—**	—	—
Total	**$ 2**	$ 2	$ —

(1) Interest accretion is recorded within "Policyholder benefits and claims incurred" in the statements of operations.

(2) Rates used to discount applicable liabilities for unpaid claims were 4% for Casualty line, and 4% for Run-off and Other as of December 31, 2025. Rates used to discount applicable liabilities for unpaid claims were 2% for Casualty line, and 4% for Run-off and Other line as of both December 31, 2024 and 2023.

(3) Excludes the effect of changes in discount rate of $98 million for the year ended December 31, 2025. There were no changes in discount rate for the years ended December 31, 2024 and 2023.

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NOTE 21. CORPORATE AND NON-RECOURSE BORROWINGS

Corporate and Non-Recourse Borrowings

The following is a summary of our corporate and non-recourse borrowings:

AS OF DEC. 31 US$ MILLIONS	2025		2024	
	Principal Balance	**Carrying Amount**	Principal Balance	Carrying Amount
Corporate borrowings[1]	**$ 628**	**$ 628**	$ 17	$ 17
Non-recourse borrowings:				
364-day secured facility due April 2025[2]	**—**	**—**	250	250
364-day revolving credit facility due October 2026[3]	**912**	**912**	755	755
Term loan credit facility due May 2027[4]	**100**	**98**	1,300	1,297
5.00% senior notes due June 2027	**500**	**490**	500	485
Term loan credit facility due September 2028[4]	**750**	**749**	—	—
5.75% senior notes due October 2029	**600**	**596**	600	595
6.14% senior notes due June 2032	**500**	**497**	500	496
6.00% senior notes due July 2035	**700**	**692**	—	—
6.50% senior notes due September 2042	**—**	**—**	144	129
5.00% subordinated notes due June 2047	**100**	**84**	100	84
7.00% junior subordinated notes due December 2055	**500**	**494**	—	—
Junior subordinated debentures[4][5]	**265**	**245**	264	243
Total non-recourse borrowings	**$ 4,927**	**$ 4,857**	$ 4,413	$ 4,334

(1) Represent bilateral revolving credit facilities backed by third-party financial institutions, which bear interest at the specified SOFR, Prime, or bankers' acceptance rate plus a spread. As of December 31, 2025, the total borrowing capacity on the credit facilities was $1.3 billion (2024 – $1.2 billion).

(2) The 364-day secured facility, which bear interest at the specified SOFR rate plus a spread, matured in April 2025. As of December 31, 2024, the total borrowing capacity on the secured facility was $1.0 billion.

(3) The 364-day revolving credit facility, which bear interest at the specified SOFR, Prime, or bankers' acceptance rate plus a spread, is for the purpose of temporarily warehousing investments that will ultimately be transferred into its insurance investment portfolios in the near term. The facility borrowings are generally secured by the underlying investments related to the credit facility drawings. The Company pledged investments totaling $761 million as collateral as of December 31, 2025, consisting of $260 million of investment funds, $9 million of cash and cash equivalents and $492 million of real estate partnerships. As of December 31, 2024, investments totaling $653 million were pledged as collateral consisting of $67 million of private loans, $183 million of investment funds, $19 million of cash and cash equivalents and $384 million of real estate partnerships. As of December 31, 2025, the total borrowing capacity on the credit facilities was $1.0 billion (2024 – $1.0 billion).

(4) Interest on the amount borrowed is tied to SOFR plus a margin and is reset and paid quarterly.

(5) Represent a series of junior subordinated debentures due between May 2033 and September 2037 issued to our subsidiary trusts that are not consolidated.

The weighted average interest rates on outstanding borrowings that mature within one year were 5.46% and 6.22% as of December 31, 2025 and 2024, respectively.

The above noted facilities require the Company and its subsidiaries to maintain minimum net worth covenants. As of December 31, 2025 and 2024, the Company was in compliance with its financial covenants.

The following is the maturity by year on corporate and non-recourse borrowings:

AS OF DEC. 31, 2025 US$ MILLIONS		Payments due by year						
	Total	Unamortized discount and issuance costs	Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years
Corporate borrowings	**$ 628**	—	—	—	—	—	628	—
Non-recourse borrowings	**$ 4,857**	(70)	912	600	750	600	—	2,065

AS OF DEC. 31, 2024 US$ MILLIONS		Payments due by year						
	Total	Unamortized discount and issuance costs	Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years
Corporate borrowings	**$ 17**	—	—	—	—	—	17	—
Non-recourse borrowings	**$ 4,334**	(79)	1,005	—	1,800	—	600	1,008

Brookfield Credit Agreement

The Company also has a credit facility with Brookfield maturing in June 2026 that, as of December 31, 2025, permitted borrowings of up to $400 million under the Brookfield Credit Agreement. As of December 31, 2025 and 2024, there were no amounts drawn on the facility.

NOTE 22. INCOME TAXES

Income taxes are recognized for the amount of taxes payable by our subsidiaries and for the impact of deferred income tax assets and liabilities related to such subsidiaries. Refer to Note 24 for deferred income tax recovery (expense) recognized in OCI.

(a) Income Tax Expense (Recovery)

Our consolidated income tax expense (recovery) is calculated based on the following income before income taxes by jurisdiction:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
Bermuda[(1)]	$ 1,405	$ 1,267	$ 352
Foreign – United States	(331)	(285)	307
Foreign – Other	(107)	231	155
Total income before income taxes	$ 967	$ 1,213	$ 814

(1) Includes income (loss) from Bermuda-domiciled companies that have elected to pay U.S. income taxes under section 953(d) of the Internal Revenue Code ("**IRC**") and mark-to-market movements on our warehoused investments yet to be transferred to insurance subsidiaries.

The Company's income tax expense (recovery) is as follows:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
Current tax:			
Bermuda	$ 2	$ —	$ —
Foreign – United States[(1)]	(6)	87	(2)
Foreign – Other	84	29	5
Total current tax expense	80	116	3
Deferred tax:			
Bermuda[(2)]	(60)	(314)	(35)
Foreign – United States[(1)]	103	157	39
Foreign – Other	(19)	7	10
Total deferred tax expense (recovery)	24	(150)	14
Total income tax expense (recovery)	$ 104	$ (34)	$ 17

(1) Income tax expense (benefit) from Bermuda-domiciled companies that have elected to be treated as U.S. taxpayers under section 953(d) of the IRC is included in the U.S., as these companies are subject to U.S. federal income tax. The related income (loss) from these companies is reflected in Bermuda.

(2) The amount for the year ended December 31, 2025 includes the amortization of $44 million of deferred tax assets. The prior years reflect the recognition of tax benefit related to the enactment of the Bermuda Corporate Income Tax ("**CIT**") Act.

The following table reconciles the Bermuda statutory tax rate to the effective income tax rate for 2025, following the adoption of ASU 2023-09:

FOR THE YEAR ENDED DEC. 31, 2025 US$ MILLIONS, EXCEPT PERCENTAGES	Amount	Rate
Income before income taxes	**$ 967**	
Income tax expense computed at the Bermuda statutory rate	**145**	**15.0 %**
Foreign tax rate differential		
The U.S.:		
Statutory tax rate difference between Bermuda and the U.S.	(19)	(1.9) %
Effect of cross-border tax laws	174	18.0 %
Other adjustments	(9)	(0.8) %
Canada:		
Statutory tax rate difference between Bermuda and Canada	(7)	(0.7) %
Other non-deductible items	16	1.7 %
The U.K.:		
Statutory tax rate difference between Bermuda and the U.K.	(3)	(0.4) %
Effect of cross-border tax laws	71	7.3 %
Other non-deductible items	4	0.4 %
Other foreign jurisdictions	2	0.2 %
Effect of changes in tax laws or rates enacted in the current year	(104)	(10.8) %
Effect of cross-border tax laws	—	— %
Tax credits	(154)	(16.0) %
Changes in valuation allowances	—	— %
Non-taxable or non-deductible items	(12)	(1.2) %
Changes in unrecognized tax benefits	—	— %
Other	—	— %
Total income tax expense	**$ 104**	
Effective tax rate		**10.8 %**

The below reconciliation has been prepared using a weighted average statutory income tax rate, which is calculated as the sum of total assets in each jurisdiction in which our subsidiaries operate in the given year, multiplied by that jurisdiction's applicable statutory tax rate.

FOR THE YEARS ENDED DEC. 31	2024	2023
Weighted average statutory tax rate[(1)]	20.5 %	17.3 %
Increase (reduction) in rate resulting from:		
International operations subject to different tax rates	(15.0)%	(10.3)%
Change in tax rates and imposition of new tax legislation	(25.9)%	(4.3)%
Impact of internal reorganization	13.2 %	— %
Other	4.4 %	(0.5)%
Effective income tax rate	(2.8)%	2.2 %

(1) Calculated based on the total asset allocation by jurisdiction. See Note 27.

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Income Taxes Paid

The following table provides income taxes paid in cash (including installments, and net of refunds received) by jurisdiction, following the adoption of ASU 2023-09:

FOR THE YEAR ENDED DEC. 31, 2025 US$ MILLIONS	
Bermuda	**$ 14**
Foreign:	
United States	**(9)**
Canada	**30**
Other foreign jurisdictions[1]	**—**
Total	**$ 35**

(1) No other state or foreign jurisdiction that exceeded 5% of total income taxes paid (net of refunds received).

Note that income taxes paid will vary, in most years, relative to current tax expense due to the timing of tax installments and refunds.

(b) Deferred Tax Asset

The gross movement on the deferred tax asset is as follows:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024	2023
Deferred tax asset, beginning of year	**$ 760**	$ 432	$ 490
Recognized in net loss (income)	**(40)**	324	(14)
Acquisition from business combination	**—**	50	51
Recognized in equity	**(46)**	(45)	(99)
Foreign exchange and other	**13**	(1)	4
Deferred tax asset, end of year	**$ 687**	$ 760	$ 432

Deferred tax asset recognized relates to the following temporary differences:

AS OF DEC. 31 US$ MILLIONS	**2025**	2024
Non-capital loss carryforwards	**$ 430**	$ 189
Investments	**(10)**	130
Insurance-related liabilities	**192**	(371)
Other policyholder funds	**63**	60
Deferred policy acquisition costs	**(357)**	(77)
Tax credit carryforwards	**102**	15
Bermuda corporate income tax[1]	**457**	399
Value of business acquired and other intangible assets	**81**	65
Reinsurance recoverables	**(219)**	347
Other	**(52)**	3
Total deferred tax asset	**$ 687**	$ 760

(1) Refer to section "Pillar Two and Bermuda Corporate Income Tax Regime" within this note for details.

The Company evaluates the deferred tax asset based on, among other factors, historical operating results, expectation of future profitability, and the duration of the applicable statutory carryforward periods for tax attributes. Based on the evaluation of the deferred tax asset as of December 31, 2025, the Company determined that the deferred tax asset would be realized within the applicable statutory carryforward.

(c) Deferred Tax Liability

The gross movement on the deferred tax liability is as follows:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
Deferred tax liability, beginning of year	$ 475	$ —	$ —
Recognized in net income (loss)	(16)	174	—
Acquisition from business combination	—	254	—
Recognized in equity	166	47	—
Foreign exchange and other	10	—	—
Deferred tax liability, end of year	$ 635	$ 475	$ —

Deferred tax liability recognized relates to the following temporary differences:

AS OF DEC. 31 US$ MILLIONS	2025	2024
Non-capital loss carryforwards	$ (595)	$ (514)
Investments	(1,059)	(1,314)
Insurance-related liabilities	4,273	3,763
Deferred policy acquisition costs	205	132
Tax credit carryforwards	—	(73)
Value of business acquired and other intangible assets	2,002	2,155
Reinsurance recoverables	(4,106)	(3,590)
Other	(85)	(84)
Total deferred tax liability	$ 635	$ 475

Pillar Two and Bermuda Corporate Income Tax Regime

In December 2023, the Government of Bermuda enacted a CIT regime, designed to align with the Organization for Economic Cooperation and Development's ("**OECD**") global minimum tax rules. The Corporate Income Tax Act 2023 came into operation in its entirety on January 1, 2025. The regime applies a 15% CIT to Bermuda businesses that are part of Multinational Enterprise ("**MNE**") groups with annual revenue of €750 million or more. On December 11, 2025, the Government of Bermuda enacted further amendments to the Bermuda Tax Act to align the calculation of the ETA with the Administrative Guidance issued by OECD in January 2025. Under these changes, any deferred tax liability that would otherwise arise solely from the mechanical calculation of the ETA is eliminated by reducing the amount to zero. As a result of these amendments, the company recognized net additional DTAs totaling $175 million in 2025. The Company had deferred tax assets totaling $457 million as of December 31, 2025 relating to this regime (2024 – $399 million).

The Company has foreign operating subsidiaries principally located in Bermuda, the U.S., Canada, the Cayman Islands, Luxembourg, as well as the U.K. The U.K. enacted legislation in July 2023, implementing certain provisions of Pillar Two. Subsequently on March 21, 2025, the U.K. enacted certain amendments to its Pillar Two legislation, introducing the undertaxed payment rule ("**UTPR**") for accounting periods beginning on or after December 31, 2024. Under the amended legislation, the UTPR would be applied as additional top-up tax levied directly on U.K. constituent entities in an amount equal to the UTPR top-up tax allocated to the U.K. Due to the phased adoption of the OECD January 2015 Administrative Guidance in the UK, a top-tax has been accrued on non-UK operations in 2025.

On June 20, 2024, Canada enacted new legislation imposing a 15% global minimum tax on profits. The legislation applies retroactively and implements an income inclusion rule ("**IIR**") and a qualified domestic minimum top-up tax ("**QDMTT**") for fiscal years that begin on or after December 31, 2023. As of December 31, 2025, Canada has not enacted legislation addressing the UTPR.

Luxembourg implemented the Pillar Two rules in line with the EU Council Directive on December 14, 2022, which introduced an IIR tax (for fiscal years starting on or after December 31, 2023), a UTPR tax (for fiscal years starting on or after December 31, 2024) and a QDMTT (for fiscal years starting on or after December 31, 2023).

Based on our evaluation of the enacted Pillar Two legislation in Canada and Luxembourg, we determined that there was no material impact on the Company's effective tax rate for the year ended December 31, 2025.

The U.S. and Cayman Islands have not yet passed legislation with respect to the Pillar Two.

The Company continues to monitor legislative developments and assess the impact of the global minimum tax requirements across jurisdictions in which it operates.

NOTE 23. SHARE CAPITAL

As of December 31, 2025 and 2024, the share capital of the Company comprises the following:

AS OF DEC. 31 US$ MILLIONS, EXCEPT FOR PAR VALUE AND SHARE AMOUNTS	2025				2024			
	Par Value	**Authorized to Issue**	**Outstanding**	**Carrying Amount**	Par Value[2]	Authorized to Issue[2]	Outstanding[2]	Carrying Amount
Class A Senior Preferred Shares	**$ 25.00**	**100,000,000**	**—**	**$ —**	$ 25.00	100,000,000	—	$ —
Class B Senior Preferred Shares	**C$ 25.00**	**100,000,000**	**—**	**—**	C$ 25.00	100,000,000	—	—
Class A Junior Preferred Shares	**25.00**	**1,000,000,000**	**—**	**—**	25.00	1,000,000,000	—	—
Class B Junior Preferred Shares	**C$ 25.00**	**1,000,000,000**	**—**	**—**	C$ 25.00	1,000,000,000	—	—
Class A Exchangeable Shares[1]	**21.83**	**1,500,000,000**	**59,934,825**	**1,333**	22.07	1,500,000,000	62,154,774	1,441
Class A-1 Exchangeable Shares[1]	**21.83**	**750,000,000**	**—**	**—**	22.07	750,000,000	—	—
Class B Shares[1]	**21.83**	**750,000**	**36,000**	**1**	22.07	750,000	36,000	1
Class C Shares	**1.00**	**1,000,000,000**	**272,687,160**	**12,311**	1.00	1,000,000,000	201,116,647	8,526

(1) The number of issued shares is the same as the number of outstanding shares for all share types, except for Class A exchangeable shares. The number of issued Class A exchangeable shares was 65,307,416 as of December 31, 2025, including 5,372,591 shares held in treasury. The number of issued Class A exchangeable shares as of December 31, 2024 was 65,154,774, including 3,000,000 shares held in treasury.

(2) Par value, number of shares authorized to issue and number of shares outstanding for our Class A exchangeable shares and Class B shares were adjusted to reflect the three-for-two stock split.

For the year ended December 31, 2025, the following events impacted the Company's share capital position:

- On February 24, 2025, we repurchased 96,744 Class A exchangeable shares.
- On June 25, 2025, Brookfield contributed $3.5 billion of BAM shares, in exchange for the issuance of 41,670,076 Class C shares and a promissory note.
- On August 5, 2025, we repurchased 2,255,315 Class A exchangeable shares.
- On September 26, 2025, the Company issued 5,081,523 Class C shares to Brookfield, valued at $250 million, in exchange for certain investments contributed by Brookfield.
- On October 9, 2025, the Company completed a three-for-two stock split in the form of a stock dividend, issuing one-half of a Class A share and one-half of a Class B share for each Class A and Class B share outstanding, respectively. The stock split resulted in the issuance of incremental 21,768,651 Class A shares and 12,000 Class B shares.
- On December 31, 2025, we issued 24,818,914 Class C shares to Brookfield in exchange for the aforementioned promissory note.

For the year ended December 31, 2024, in addition to the conversion of Class A-1 exchangeable shares by certain of its shareholders to Class A exchangeable shares, the following events impacted the Company's share capital position:

- On May 3, 2024, we issued 26,586,622 Class C shares to Brookfield, valued at $1.1 billion, in exchange for BAM shares purchased from Brookfield which were used as consideration for the acquisition of AEL.
- On August 29, 2024, the Company redesignated its Class A-1 exchangeable shares into its Class A exchangeable shares. As a result of the redesignation, there are no Class A-1 exchangeable shares currently in issue.
- On November 8, 2024, the Company issued 18,525,713 Class C shares to Brookfield, valued at $1.0 billion, in exchange for certain investments contributed by Brookfield.
- On December 5, 2024, the Company repurchased 3,000,000 Class A exchangeable shares.
- On December 6, 2024, Brookfield, as the sole holder of our Class A redeemable junior preferred shares, exercised its right to convert all outstanding Class A redeemable junior preferred shares into 53,947,528 Class C shares. As a result, there are no Class A redeemable junior preferred shares currently in issue.

For the year ended December 31, 2023, in addition to the conversion of Class A-1 exchangeable shares by certain of its shareholders to Class A exchangeable shares, the following events impacted the Company's share capital position:

- Through the month of March 2023, the Company issued 1,747,500 Class A exchangeable shares in exchange for 1,747,500 Class A shares of Brookfield, valued at $38 million.
- On March 3, 2023, the Company converted 463,556 Class A exchangeable shares for $10 million into 380,268 Class C shares.
- On August 15, 2023, the Company issued 60,741,893 Class C shares to Brookfield, valued at $2.1 billion, in exchange for certain investments contributed by Brookfield.
- On October 11, 2023, the Company commenced its exchange offer (the "**Exchange Offer**"), whereby holders of Brookfield Class A shares were given the opportunity to voluntarily exchange up to 60,000,000 Brookfield Class A shares for newly-issued Class A-1 exchangeable shares of the Company on a one-for-one basis. Each Class A-1 exchangeable share was convertible on a one-for-one basis for a Class A exchangeable share and exchangeable on a one-for-one basis for a Brookfield Class A share. The Exchange Offer closed on November 16, 2023. Under the Exchange Offer, the Company took up 49,401,862 Brookfield Class A shares and issued 49,401,862 Class A-1 exchangeable shares in exchange.

Repurchased shares were held in treasury as of December 31, 2025 and 2024, respectively.

The movement of shares outstanding is as follows:

SHARE AMOUNTS	Class A Redeemable Junior Preferred Shares	Class A Exchangeable Shares[(1)]	Class A-1 Exchangeable Shares[(1)]	Class B Shares[(1)]	Class C Shares
Outstanding as of January 1, 2023	100,460,280	14,392,484	—	36,000	40,934,623
Issuances	—	1,747,500	49,401,862	—	60,741,893
Conversions	—	6,827,640	(7,291,196)	—	380,268
Outstanding as of December 31, 2023	100,460,280	22,967,624	42,110,666	36,000	102,056,784
Issuances	—	76,484	—	—	45,112,335
Acquisition of treasury shares, net	—	(3,000,000)	—	—	—
Conversions	(100,460,280)	3,045,512	(3,045,512)	—	53,947,528
Redesignation	—	39,065,154	(39,065,154)	—	—
Outstanding as of December 31, 2024	—	62,154,774	—	36,000	201,116,647
Issuances	—	132,590	—	—	71,570,513
Acquisition of treasury shares, net	—	(2,352,539)	—	—	—
Outstanding as of December 31, 2025	**—**	**59,934,825**	**—**	**36,000**	**272,687,160**

(1) The number of shares outstanding for Class A exchangeable shares and Class B shares was adjusted to reflect the aforementioned three-for-two stock split. The conversion and redesignation of Class A-1 exchangeable shares into its Class A exchangeable shares remains presented on a one-for-one basis.

NOTE 24. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of and changes in the AOCI, and the related tax effects, are shown below:

US$ MILLIONS	Change in Net Unrealized Investment Gains (Losses)	Foreign Currency Translation	Change in Discount Rate for Future Policy Benefits	Change in Instrument-Specific Credit Risk for Market Risk Benefits	Defined Benefit Pension Plan Adjustment	Total
Balance as of January 1, 2023	$ (1,017)	$ (6)	$ 507	$ (7)	$ —	$ (523)
Other comprehensive income (loss) before reclassifications	616	15	(353)	(13)	108	373
Amounts reclassified to net income	127	—	—	—	—	127
Deferred income tax benefit (expense)	(164)	—	85	5	(23)	(97)
Balance as of December 31, 2023	$ (438)	$ 9	$ 239	$ (15)	$ 85	$ (120)
Other comprehensive income (loss) before reclassifications	552	(79)	149	(290)	24	356
Amounts reclassified to (from) net income	(7)	—	—	66	—	59
Deferred income tax benefit (expense)	(119)	9	(26)	50	(5)	(91)
Balance as of December 31, 2024	$ (12)	$ (61)	$ 362	$ (189)	$ 104	$ 204
Other comprehensive income (loss) before reclassifications	896	92	(99)	236	(38)	1087
Amounts reclassified to net income	42	—	—	—	—	42
Deferred income tax benefit (expense)	(172)	(15)	17	(50)	8	(212)
Balance as of December 31, 2025	**$ 754**	**$ 16**	**$ 280**	**$ (3)**	**$ 74**	**$ 1,121**

NOTE 25. EARNINGS PER SHARE

The components of basic earnings per share are summarized in the following table:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS, EXCEPT FOR PER SHARE AMOUNTS AND SHARES	**2025**	2024	2023
Net income	**$ 863**	$ 1,247	$ 797
Dividends on Class A redeemable junior preferred shares[1]	**—**	(105)	(116)
	$ 863	$ 1,142	$ 681
Attributable to:			
Class A exchangeable and Class B shareholders[2]	**$ 16**	$ 14	$ 5
Class C shareholder	**750**	1,095	675
Non-controlling interests	**97**	33	1
	$ 863	$ 1,142	$ 681
Earnings per class C share – basic	**$ 3.35**	$ 8.69	$ 10.51
Weighted average shares – Class C shares	**224,030,265**	126,003,542	64,215,726

(1) Our Class A redeemable junior preferred shares were converted to Class C shares by Brookfield on December 6, 2024. Accordingly, no dividends were accrued for the year ended December 31, 2025.

(2) On August 29, 2024, the Company redesignated all of its Class A-1 exchangeable shares into its Class A exchangeable shares. Amounts attributable to Class A exchangeable and Class B shareholders include amounts attributable to Class A-1 exchangeable shareholders prior to the redesignation.

NOTE 26. RELATED PARTY TRANSACTIONS

In the normal course of operations, the Company entered into the transactions below with related parties.

(a) Related party transactions under agreements with Brookfield

The Company has an outstanding equity commitment in the amount of $2.0 billion from Brookfield to fund future growth, which the Company may draw on from time to time. As of December 31, 2025 and 2024, there were no amounts drawn under the equity commitment.

The Company has a revolving credit facility with Brookfield under the Brookfield Credit Agreement. Refer to Note 21 for more details. The Company also has a support agreement and a rights agreement with Brookfield in relation to our exchangeable shares as well as a licensing agreement with Brookfield in relation to our use of the name “Brookfield” and its logo. No amounts have been incurred in the statements of operations under these agreements for the years ended December 31, 2025, 2024 and 2023.

The following table reflects our related party transactions under other agreements with Brookfield recorded in the statements of operations:

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024	2023
Administration fees to Brookfield	**10**	7	8
Investment management fees to Brookfield[1]	**243**	162	64

(1) The Company had $64 million and $51 million of investment management fees payable to Brookfield as of December 31, 2025 and 2024, respectively, which are included in “Due to related parties” on the statements of financial position. The remaining “Due to related parties” balances as of December 31, 2025 and 2024 are primarily related to accounts and loans payable to Brookfield and its subsidiaries.

(b) Other related party transactions

As of December 31, 2025, we held investments in related parties of $13.4 billion (2024 – $8.6 billion), not including equity method investments (see Note 8 for details on our equity method investments). The Company’s investments in related parties are net of maturities, prepayments and sales that occur during the year and reflect any other changes in carrying values during the year such as fair value changes for investments carried at fair value. Our investments in related parties include Brookfield shares received under the Exchange Offer closed on November 16, 2023, valued at $2.1 billion as of December 31, 2025 (2024 – $1.8 billion), BAM shares contributed by Brookfield on June 25, 2025, valued at $3.4 billion as of December 31, 2025 (2024 – $nil) and approximately $4.3 billion of private loans issued to subsidiaries of Brookfield (2024 – $3.1 billion). See Note 23 for the details of the Exchange Offer and the contribution of BAM shares by Brookfield.

Our investment transactions with related parties for the year ended December 31, 2025 include the contribution of $3.5 billion of BAM shares by Brookfield as well as approximately $400 million of financing provided to subsidiaries of Brookfield Renewable Partners L.P. For the year ended December 31, 2024, our investment transactions with related parties include the contribution of $1.1 billion of BAM shares by Brookfield to support the acquisition of AEL (see Note 16 for the details of this transaction). For the year ended December 31, 2023, our investment transactions with related parties include the receipt of $1.1 billion of Brookfield shares under the Exchange Offer. Investment transactions with related parties are accounted for in the same manner as those with unrelated parties in the financial statements. Amounts disclosed in this paragraph represent the value of investments at the time of the transaction.

The Company had $318 million of cash on deposit with a wholly-owned subsidiary of Brookfield as of December 31, 2025 (2024 – $493 million).

NOTE 27. SEGMENT REPORTING

The Company's reporting segments are Annuities, P&C, Life Insurance and Corporate and Other. These segments are regularly reviewed by the Company's chief operating decision maker ("**CODM**") for the purpose of allocating resources to the segment and to assess its performance. The Company's CODM has been identified as the Chief Executive Officer and the Chief Financial Officer.

The key measure used by the CODM in assessing performance and in making resource allocation decisions is Distributable Operating Earnings ("**DOE**"). DOE provides the CODM with insights on capital allocation and investment strategies, as well as product mix and pricing of insurance products offered by the Annuities, P&C and Life Insurance segments.

DOE is calculated as net income after applicable taxes excluding the impact of depreciation and amortization, deferred income taxes related to basis and other changes, and breakage and transaction costs, as well as certain investment and insurance reserve gains and losses, including gains and losses related to asset and liability matching strategies, non-operating adjustments related to changes in cash flow assumptions for future policy benefits and change in market risk benefits, and is inclusive of returns on equity invested in certain variable interest entities and the Company's share of adjusted earnings from investments in certain associates. DOE allows the CODM to evaluate the Company's segments on the basis of return on invested capital generated by its operations and allows the Company to evaluate the performance of its segments.

The tables below provide each segment's results in the format that the CODM reviews its reporting segments to make decisions and assess performance.

FOR THE YEAR ENDED DEC. 31, 2025 US$ MILLIONS	Annuities	P&C	Life Insurance	Corporate & Other	Total
Net premiums and other policy related revenues	$ 2,464	$ 2,417	$ 396	$ —	
Net investment income, including reinsurance funds withheld	5,453	444	207	314	
Segment revenues[1][2]	7,917	2,861	603	314	**$ 11,695**
Policyholder benefits, net	(2,359)	(1,706)	(340)	—	
Interest sensitive contract benefits, excluding index credits	(2,050)	—	(6)	—	
Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired	(919)	(437)	(38)	—	
Other insurance and reinsurance expenses[3]	(411)	—	—	—	
Operating expenses, excluding transactions costs	(515)	(319)	(66)	(113)	
Interest expense	—	—	—	(344)	
Income tax expense, net	—	—	—	(373)	
Segment DOE	**$ 1,663**	**$ 399**	**$ 153**	**$ (516)**	**$ 1,699**
Depreciation and amortization expenses					**(233)**
Deferred income tax recovery relating to basis and other changes					**269**
Transaction costs					**(104)**
Mark-to-market losses on investments, including reinsurance funds withheld					**(51)**
Mark-to-market losses on insurance contracts and other net assets					**(717)**
Net income					**$ 863**

(1) For the year ended December 31, 2025, there were no significant intersegment revenues.

(2) Our consolidated revenues in the statements of operations principally represent the sum of "Segment revenues" and "Mark-to-market gains (losses) on investments, including reinsurance funds withheld" in the tables above.

(3) "Other insurance and reinsurance expenses" primarily represent "Change in fair value of market risk benefits" excluding the effect of changes in market risks (e.g., interest rates, equity markets and equity index volatility) and are inclusive of "Other reinsurance expenses" arising from our reinsurance assumed business on the statements of operations. See Note 19 for the details of market risk benefits and Note 12 for the details of our reinsurance assumed business.

FOR THE YEAR ENDED DEC. 31, 2024 US$ MILLIONS	Annuities	P&C	Life Insurance	Corporate & Other	Total
Net premiums and other policy related revenues	$ 5,377	$ 2,964	$ 649	$ —	
Net investment income, including reinsurance funds withheld	3,792	442	368	210	
Segment revenues(1)(2)	9,169	3,406	1,017	210	$ 13,802
Policyholder benefits, net	(5,413)	(2,092)	(507)	—	
Interest sensitive contract benefits, excluding index credits	(1,338)	—	(53)	—	
Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired	(598)	(602)	(37)	—	
Other insurance and reinsurance expenses(3)	(189)	—	—	—	
Operating expenses, excluding transactions costs	(365)	(451)	(214)	(64)	
Interest expense	—	—	—	(344)	
Income tax recovery (expense), net	(46)	2	(12)	(105)	
Segment DOE	$ 1,220	$ 263	$ 194	$ (303)	$ 1,374
Depreciation and amortization expenses					(135)
Deferred income tax recovery relating to basis and other changes					195
Transaction costs					(213)
Mark-to-market gains on investments, including reinsurance funds withheld					283
Mark-to-market losses on insurance contracts and other net assets					(257)
Net income					$ 1,247

FOR THE YEAR ENDED DEC. 31, 2023 US$ MILLIONS	Annuities	P&C	Life Insurance	Corporate & Other	Total
Net premiums and other policy related revenues	$ 1,520	$ 2,236	$ 794	$ —	
Net investment income, including reinsurance funds withheld	1,557	225	363	124	
Segment revenues(1)(2)	3,077	2,461	1,157	124	$ 6,819
Policyholder benefits, net	(1,718)	(1,566)	(622)	—	
Interest sensitive contract benefits, excluding index credits	(672)	—	(66)	—	
Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired	(95)	(493)	(44)	—	
Other insurance and reinsurance expenses(3)	104	—	—	—	
Operating expenses, excluding transactions costs	(110)	(309)	(222)	(65)	
Interest expense	—	—	—	(193)	
Income tax recovery (expense), net	9	(9)	(5)	2	
Segment DOE	$ 595	$ 84	$ 198	$ (132)	$ 745
Depreciation and amortization expenses					(30)
Deferred income tax expense relating to basis and other changes					(14)
Transaction costs					(40)
Mark-to-market gains on investments, including reinsurance funds withheld					36
Mark-to-market gains on insurance contracts and other net assets					100
Net income					$ 797

(1) For the years ended December 31, 2024 and 2023, there were no significant intersegment revenues.

(2) Our consolidated revenues in the statements of operations principally represent the sum of "Segment revenues" and "Mark-to-market gains (losses) on investments, including reinsurance funds withheld" in the tables above.

(3) "Other insurance and reinsurance expenses" primarily represent "Change in fair value of market risk benefits" excluding the effect of changes in market risks (e.g., interest rates, equity markets and equity index volatility) and are inclusive of "Other reinsurance expenses" arising from our reinsurance assumed business on the statements of operations. See Note 19 for the details of market risk benefits and Note 12 for the details of our reinsurance assumed business.

The Company's Annuities segment offers annuity-based products to individuals and institutions. Total premium revenues recorded within Annuities segment for the years ended December 31, 2025, 2024 and 2023 were primarily from PRT transactions with institutions in the U.S., the U.K. and Canada. Premiums received from retail annuities are generally recorded as deposits and are not included in net premiums.

Our P&C segment provides a broad range of P&C products through Clearbrook, which include coverage for property, casualty, specialty and other. Total earned premiums within this segment for the years ended December 31, 2025, 2024 and 2023 were primarily from transactions with U.S.-based individuals and institutions.

The Company's Life Insurance business is principally provided by American National. Total premium revenues recorded within this segment for the years ended December 31, 2025, 2024 and 2023 were primarily from transactions with U.S. retail customers.

Lastly, Corporate and Other segment's revenue is mainly from investment income earned on investments warehoused by the Company prior to their transfer into its insurance investment portfolios, net of associated borrowing costs.

In addition to DOE, the CODM also monitors the assets, including investments accounted for using the equity method, liabilities and equity attributable to each segment.

AS OF DEC. 31, 2025 US$ MILLIONS	Annuities	P&C	Life Insurance	Corporate & Other	Total
Assets	$ 125,612	$ 12,780	$ 8,736	$ 10,053	**$ 157,181**
Liabilities	116,549	8,936	7,608	6,171	**139,264**
Equity	9,063	3,844	1,128	3,882	**17,917**

AS OF DEC. 31, 2024 US$ MILLIONS	Annuities	P&C	Life Insurance	Corporate & Other	Total
Assets	$ 112,931	$ 14,269	$ 7,708	$ 5,045	$ 139,953
Liabilities	105,724	9,574	6,510	5,069	126,877
Equity	7,207	4,695	1,198	(24)	13,076

The following table shows the breakdown of total assets by jurisdiction.

AS OF DEC. 31 US$ MILLIONS	2025	2024
United States	**$ 141,613**	$ 130,051
Canada	**5,582**	5,238
Bermuda and other	**9,986**	4,664
Total assets	**$ 157,181**	$ 139,953

The breakdown of total revenue by jurisdiction follows.

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
United States	**$ 10,366**	$ 10,436	$ 5,545
Canada	**552**	2,607	653
Bermuda	**414**	249	422
Other[1]	**303**	811	292
Total revenue	**$ 11,635**	$ 14,103	$ 6,912

(1) No other country greater than 10%.

NOTE 28. FINANCIAL COMMITMENTS AND CONTINGENCIES

Commitments

As of December 31, 2025, the Company and its subsidiaries, in aggregate, had outstanding commitments to purchase, expand or improve real estate and to fund mortgage loans, private loans and investment funds of $12.3 billion (2024 – $10.3 billion).

In addition, the subsidiaries of the Company had outstanding letters of credit in the amount of $43 million as of December 31, 2025 (2024 – $437 million). As of December 31, 2025, certain of our subsidiaries had approximately $159 million of future payments in aggregate, inclusive of office space construction costs, under their long-term operating lease agreements (2024 – $43 million).

Federal Home Loan Bank Agreements

Certain of the Company's subsidiaries have access to the FHLB's financial services including advances that provide an attractive funding source for short-term borrowing and for access to other funding agreements. As of December 31, 2025, certain municipal bonds and collateralized mortgage obligations with a fair value of approximately $793 million (2024 – $800 million) and commercial mortgage loans of approximately $1.1 billion (2024 – $727 million) were on deposit with the FHLB as collateral for borrowing. As of December 31, 2025, the collateral provided borrowing capacity of approximately $1.5 billion (2024 – $881 million). The deposited securities and commercial mortgage loans are included in the statements of financial position within "Available-for-sale fixed maturity securities" and "Mortgage loans on real estate", respectively.

Funding Agreement-Backed Notes

Starting in 2025, we have a FABN program under which a subsidiary of ANGI (a statutory trust that is not consolidated or affiliated with us) issues its senior secured medium-term notes. The FABN notes are underwritten and marketed by major investment banks' broker-dealer operations and are sold to institutional investors for the purposes of generating a spread-based return. As of December 31, 2025, we had $1.5 billion outstanding under the FABN program with a maximum aggregate principal amount permitted to be outstanding at any one time of $4.0 billion.

Litigation

Certain of the Company's subsidiaries are defendants in various lawsuits concerning alleged breaches of contracts, various employment matters, allegedly deceptive insurance sales and marketing practices, and miscellaneous other causes of action arising in the ordinary course of operations. Certain lawsuits include claims for compensatory and punitive damages. The Company provides accruals for these items to the extent it deems the losses probable and reasonably estimable. After reviewing these matters with legal counsel, based upon information presently available, management is of the opinion that the ultimate resultant liability, if any, would not have a material adverse effect on the statements of financial position, liquidity or results of operations; however, assessing the eventual outcome of litigation necessarily involves forward-looking speculation as to judgments to be made by judges, juries and appellate courts in the future.

Such speculation warrants caution, as the frequency of large damage awards, which bear little or no relation to the economic damages incurred by plaintiffs in some jurisdictions, continues to create the potential for an unpredictable judgment in any given lawsuit. These lawsuits are in various stages of development, and future facts and circumstances could result in management changing its conclusions. It is possible that, if the defenses in these lawsuits are not successful, and the judgments are greater than management can anticipate, the resulting liability could have a material impact on the Company's financial position, liquidity, or results of operations. With respect to the existing litigation, management currently believes that the possibility of a material judgment adverse to the Company is remote. Accruals for losses are established whenever they are probable and reasonably estimable. If no one estimate within the range of possible losses is more probable than any other, an accrual is recorded based on the lowest amount of the range.

NOTE 29. STATUTORY FINANCIAL INFORMATION AND DIVIDEND RESTRICTIONS

The Company's insurance subsidiaries are subject to insurance laws and regulations in the jurisdictions in which they operate, including the U.S., the U.K., Bermuda, Canada and the Cayman Islands. Certain regulations include restrictions that limit the dividends or other distributions, such as loans or cash advances, available to stockholders without prior approval of the insurance regulatory authorities. The differences between financial statements prepared for insurance regulatory authorities and GAAP financial statements vary by jurisdiction.

U.S. Statutory Requirements

The Company's U.S. insurance subsidiaries prepare financial statements in accordance with statutory accounting practices prescribed or permitted by the insurance department of each subsidiary's state of domicile, which include certain components of the National Association of Insurance Commissioners ("**NAIC**") Statutory Accounting Principles ("**SAP**"). NAIC SAP is intended to standardize regulatory accounting and reporting to state insurance departments. However, statutory accounting practices continue to be established by individual state laws and permitted practices. Modifications by the various state insurance departments may impact the statutory capital and surplus of these insurance subsidiaries.

Statutory accounting differs from GAAP primarily by charging policy acquisition costs to expense as incurred, establishing future policy benefit liabilities using different actuarial assumptions and valuing securities on a different basis. In addition, certain assets are not admitted under statutory accounting principles and are charged directly to surplus.

The Company's U.S. insurance subsidiaries are subject to certain Risk Based Capital ("**RBC**") requirements as defined by the NAIC. RBC requirements require a certain amount of capital and surplus to be maintained based upon various risk factors of each insurance company. The Company's insurance subsidiaries in the U.S. met the minimum regulatory requirements.

Bermuda Statutory Requirements

The Company's Bermuda-domiciled insurance subsidiaries are licensed by the Bermuda Monetary Authority ("**BMA**"). These subsidiaries prepare statutory financial statements that are generally equivalent to GAAP financial statements, with the exception of prudential filters, which include adjustments to eliminate non-admitted assets non-admissible for solvency purposes, and permitted practices granted by the BMA.

The Company's Bermuda-domiciled insurance subsidiaries are subject to the Insurance Act 1978, as amended (the "**Bermuda Insurance Act**"). Under the Bermuda Insurance Act, these subsidiaries are required to maintain minimum statutory capital and surplus equal to the greater of a minimum solvency margin and the enhanced capital requirement as determined by the BMA. These insurance subsidiaries in Bermuda met the minimum solvency and minimum liquidity regulatory requirements, which include the Enhanced Capital Requirement ("**ECR**"), calculated based on the Bermuda Solvency Capital Requirement ("**BSCR**") model, which is a risk-based model that takes into account the risk characteristics of different aspects of the insurance company's business.

Other Statutory Requirements

The Company's Canadian insurance subsidiary, BAC Canada, prepares statutory financial statements under IFRS Accounting Standards, which also comply with specifications provided by the Office of the Superintendent of Financial Institutions ("**OSFI**"). BAC Canada is subject to the Life Insurance Capital Adequacy Test ("**LICAT**"), as determined by OSFI, which requires a life insurance company to maintain a certain amount of capital and surplus to meet the minimum LICAT ratio. BAC met the minimum regulatory requirements.

The Company's Cayman domiciled insurance subsidiary, NER SPC, is licensed by the Cayman Islands Monetary Authority. As of December 31, 2025, no insurance liabilities were ceded to NER SPC and, therefore, regulatory minimum regulatory requirements did not apply.

Statutory Financial Information

The following tables provide the statutory capital and surplus of the Company's insurance entities.

AS OF DEC. 31 US$ MILLIONS	2025	2024
ANGI:		
American Equity Investment Life Insurance Company	$ 2,761	$ 3,214
American National Insurance Company	2,418	2,264
Freestone Re Ltd.	2,634	1,345
Other remaining ANGI insurance entities	482	2,045
Other Life and Annuity:		
NER Ltd.	106	135
BAC Canada	525	460
Other remaining life and annuity insurance entities of Brookfield Wealth Solutions	87	85
Clearbrook:		
Argo Re Ltd.(1)	256	1,514
Argonaut Insurance Company(1)	1,445	N/A
Colony Insurance Company(1)	1,119	N/A
American National Property & Casualty Company(2)	766	N/A
Other P&C insurance entities	166	N/A

(1) Statutory capital and surplus of Argo Re Ltd. ("**Argo Re**") as of December 31, 2024 is presented on a consolidated basis, inclusive of those of Argonaut Insurance Company ("**AIC**") and Colony Insurance Company ("**CIC**"). Given the restructuring of our P&C entities in 2025, the statutory capital and surplus of AIC and CIC as of December 31, 2025 are presented separately from that of Argo Re.

(2) American National's P&C insurance entities, including American National Property & Casualty Company ("**ANPAC**"), are managed together under Clearbrook as of December 31, 2025.

The following table presents the statutory net income (loss) of the Company's primary insurance entities.

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
American Equity Investment Life Insurance Company(1)	$ 12	$ (747)	N/A
American National Insurance Company	71	(243)	(362)
Freestone Re Ltd.	1,069	625	150
BAC Canada	51	48	15
NER Ltd.	(26)	48	(2)
Argo Re(2)	56	(117)	(177)
AIC	91	N/A	N/A
CIC	60	N/A	N/A
ANPAC	24	N/A	N/A

(1) Statutory net income (loss) for the year ended December 31, 2023 is not provided as the Company acquired AEL on May 2, 2024. Statutory net income (loss) for the year ended December 31, 2024 presented above represents amounts to be reported to its regulator and are inclusive of income and expenses prior to our acquisition of AEL.

(2) Amounts for the years ended December 31, 2024 and 2023 are presented on a consolidated basis, inclusive of those of AIC and CIC. The amount for the year ended December 31, 2023 presented above represents an amount reported to their regulators and is inclusive of income and expenses prior to our acquisition of Clearbrook. Given the restructuring of our P&C entities in 2025, statutory net income (loss) of AIC and CIC for the year ended December 31, 2025 are presented separately from that of Argo Re.

Note that for certain of these insurance entities, the statutory financial statements and returns as of and for the year ended December 31, 2025 are due to be submitted to the relevant regulatory authorities after the date of these financial statements. Accordingly, the figures in tables above as of and for the year ended December 31, 2025 do not represent final figures.

Prescribed and Permitted Statutory Accounting Practices

Certain of our insurance subsidiaries use prescribed and permitted statutory accounting practices that differ from the statutory accounting practices found in NAIC SAP. These prescribed and permitted practices are described as follows:

- American Equity Investment Life Insurance Company ("**AEILIC**") is domiciled in the State of Iowa and is regulated by the Iowa Insurance Division ("**IID**"). AEILIC uses certain statutory accounting principals prescribed by the IID. AEILIC uses a prescribed practice which allows for call option derivative instruments hedging the interest credited on fixed indexed annuities to be recorded at amortized cost and the related fixed index annuity reserve to be valued using an assumption that the market value of the call options associated with the current index crediting term is zero. The use of this permitted practice resulted in lower statutory capital and surplus of $140 million as of December 31, 2025. AEILIC also uses a permitted practice which defines the mortality table allowed for determining the minimum standard of valuation of reserve liabilities for annuities. The use of this prescribed practice resulted in higher statutory capital and surplus of $48 million as of December 31, 2025. The statutory capital and surplus of AEILIC would have remained above the authorized control level RBC had it not used the permitted practices.
- AEILIC cedes certain lifetime income benefit rider payments in excess of PAB to three captive insurers in Vermont, AEL Re Vermont, AEL Re Vermont II and AEL Re Vermont III. The Vermont subsidiaries have been granted permitted practices from the Vermont Department to recognize, as an admitted asset, an excess of loss reinsurance agreement with a third-party which reinsures the lifetime income benefit rider payments in excess of policyholder fund values upon exhaustion of a funds withheld account balance. The permitted practices increased the statutory capital of these Vermont subsidiaries by $6.5 billion at December 31, 2025. Without such permitted practices, the RBC at the Vermont subsidiaries would fall below the minimum regulatory requirements.
- Effective September 30, 2025, American National Insurance Company ("**ANICO**") entered into an excess of loss reinsurance agreement ("**ANICO XOL treaty**") with a third-party reinsurance group to reinsure aggregate claims incurred during the agreement term associated with a closed block of life insurance policies exceeding an attachment point as defined in the agreement. ANICO is permitted, by the Texas Department of Insurance, to carry the ANICO XOL treaty as an admitted asset which increased the statutory capital and surplus of ANICO by $370 million at December 31, 2025. The statutory capital and surplus of ANICO would have remained above the authorized control level RBC had it not used the permitted practice.
- ANPAC has been granted a permitted practice from the Nebraska Division of Insurance to record as the valuation of its investment in a wholly-owned subsidiary that is the attorney-in-fact for a Texas domiciled insurer, the statutory capital and surplus of the Texas domiciled insurer. This permitted practice increased the statutory capital and surplus of ANPAC by $56 million at December 31, 2025. The statutory capital and surplus of ANPAC would have remained above the authorized control level RBC had it not used the permitted practice.

Statutory Dividend Restrictions

The ability of the Company's insurance subsidiaries to pay dividends, or other distributions, to their parent companies (and ultimately the Company) is subject to certain restrictions imposed by the jurisdictions of domicile that regulate these insurance subsidiaries, and each jurisdiction typically has calculations for the amount of dividends that an insurance company can pay without the prior approval of the insurance regulatory authorities.

The following provides a summary of statutory restrictions on the payment of dividends for the Company's insurance subsidiaries in various jurisdictions:

- **U.S. insurance entities** – Various state insurance laws restrict the amount that may be transferred to the parent company by its insurance subsidiaries in the form of dividends without prior approval of the insurance regulatory authorities. These restrictions are based, in part, on the prior year's statutory income and surplus. In general, dividends up to specified levels are considered ordinary and may be paid without prior regulatory approval. Dividends in larger amounts, or extraordinary dividends, are subject to the approval by the insurance commissioner of the applicable state of domicile.

  The following are dividend restrictions applicable to ANGI's primary U.S. insurance subsidiaries:

  - AEILIC is permitted without prior approval of the Iowa Insurance Division to pay total dividends of up to $276 million during 2026.
  - ANICO is permitted without prior approval of the Texas Department of Insurance to pay total dividends of up to $242 million during 2026.

  The following are dividend restrictions applicable to Clearbrook's primary U.S. insurance subsidiaries:

  - AIC is permitted without prior approval of the Nebraska Division of Insurance to pay total dividends of up to $145 million during 2026.
  - CIC is permitted without prior approval of the Nebraska Division of Insurance to pay total dividends of up to $112 million during 2026.
  - ANPAC is permitted without prior approval of the Nebraska Division of Insurance to pay total dividends of up to $77 million during 2026.

- **Bermuda insurance entities** – Under the Bermuda Insurance Act, Bermuda insurance entities such as Freestone Re Ltd. and NER Ltd. are generally prohibited from declaring or paying, in any financial year, dividends of more than 25% of its prior year's total statutory capital and surplus unless it files with the BMA an affidavit signed by at least two directors and the principal representative in Bermuda stating that it will continue to meet its relevant margins. The maximum amount available for payment of dividends without prior regulatory approval during 2026 is $659 million for Freestone Re Ltd. and $27 million for NER Ltd.
- **Other insurance entities** – As a Canadian insurance subsidiary, BAC Canada may declare dividends subject to it continuing to meet its capital requirements and maintaining adequate and appropriate forms of liquidity in addition to complying with related regulations under the Insurance Companies Act (Canada) and requirements of OSFI.

Brookfield Wealth Solutions Ltd.
Schedule II – Condensed Financial Information of Registrant

Condensed Statements of Financial Position (Parent Company Only)

AS OF DEC. 31 US$ MILLIONS	2025	2024
Assets		
Cash and cash equivalents	**$ 2**	$ —
Investments in subsidiaries	**17,514**	12,249
Due from related party	**83**	1
Total assets	**17,599**	12,250
Liability		
Accounts payable and accrued liabilities	**2**	2
Due to related party	**11**	22
Total liabilities	**13**	24
Equity		
Share capital	**13,645**	9,968
Retained earnings	**2,820**	2,054
Accumulated other comprehensive income	**1,121**	204
Total equity	**17,586**	12,226
Total liabilities and equity	**$ 17,599**	$ 12,250

Condensed Statements of Comprehensive Income (Parent Company Only)

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
Income of equity method investments	**$ 780**	$ 1,230	$ 806
Operating expenses	**(14)**	(16)	(10)
Net income	**766**	1,214	796
Other comprehensive income	**917**	324	403
Comprehensive income	**$ 1,683**	$ 1,538	$ 1,199

The accompanying notes are an integral part of the condensed financial information.

Brookfield Wealth Solutions Ltd.
Schedule II – Condensed Financial Information of Registrant (Continued)

Condensed Statements of Cash Flows (Parent Company Only)

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	2025	2024	2023
Operating activities			
Net income	$ 766	$ 1,214	$ 796
Non-cash items affecting net income:			
Equity in undistributed earnings of subsidiaries	(780)	(1,230)	(806)
Changes in non-cash balances related to operations:			
Changes in working capital	(11)	(31)	(22)
Cash flows from operating activities	(25)	(47)	(32)
Investing activities			
Investments in shares of subsidiaries	43	61	42
Cash flows from investing activities	43	61	42
Financing activities			
Distributions	(16)	(14)	(10)
Cash flows from financing activities	(16)	(14)	(10)
Cash and cash equivalents			
Cash and cash equivalents, beginning of year	—	—	
Net change during the year	2	—	—
Cash and cash equivalents, end of year	$ 2	$ —	$ —

The accompanying notes are an integral part of the condensed financial information.

Notes to the Condensed Financial Information of Registrant (Parent Company Only)

NOTE 1. BASIS OF PRESENTATION

These condensed financial statements of Brookfield Wealth Solutions Ltd. (the "**Parent Company**") should be read in conjunction with the consolidated financial statements of the Parent Company and its subsidiaries.

All operating activities of the Parent Company are conducted by its operating subsidiaries, which are: ANGI, Clearbrook, BAC Canada, BAC UK, NER Ltd., and NER SPC. The Parent Company holds a direct 100% ownership interest in BWS Holdings Ltd., which holds the Parent Company's interest in its operating subsidiaries. The Parent Company is a holding company that does not conduct any substantive business operations and does not have any assets other than cash and cash equivalents, investments in its subsidiaries and due from related party. The operating subsidiaries are regulated insurance companies and therefore have restrictions on the ability to pay dividends, loan funds and make other upstream distributions to the Parent Company without prior approval by local regulators.

For the purposes of these condensed financial statements, the Parent Company's wholly owned subsidiaries are presented under the equity method of accounting. Under this method, the assets and liabilities of subsidiaries are not consolidated. The investments in subsidiaries are recorded on the condensed statements of financial position. The earnings of its subsidiaries are reported on a net basis as income (loss) of equity method investments on the condensed statements of comprehensive income (loss).

No dividends have been received from any of our subsidiaries in the past three years.

NOTE 2. COMMITMENTS AND CONTINGENCIES

The Parent Company and its subsidiaries have bilateral revolving credit facilities backed by third-party financial institutions. The total available amount on third-party credit facilities is $1.3 billion, on which $628 million was drawn as of December 31, 2025 (2024 – $1.2 billion and $17 million, respectively).

The Parent Company had no other material commitments or contingencies during the reported periods.

Brookfield Wealth Solutions Ltd.
Schedule III – Supplementary Insurance Information

AS OF AND FOR THE YEARS ENDED DEC. 31
US$ MILLIONS

Segment	DAC, DSI and VOBA	FPB, PAB, policy and contract claims, deposit liabilities and MRB	Unearned premiums	Other policy claims and benefits payable	Premium revenue	Net investment income	Policyholder benefits and claims incurred, interest sensitive contract benefits and change in fair value of MRB	Amortization of DAC, DSI and VOBA	Other operating expenses	Net premiums written
2025										
Annuities	$ 11,068	$ 109,505	$ —	$ 23	$ 2,464	$ 4,871	$ 5,230	$ 943	$ 603	$ —
Property and Casualty	180	7,005	1,269	3	2,417	369	1,713	437	383	2,001
Life Insurance	435	5,963	3	46	396	170	343	38	62	—
Corporate and Other	—	—	—	—	—	409	—	—	55	—
Total	**$ 11,683**	**$ 122,473**	**$ 1,272**	**$ 72**	**$ 5,277**	**$ 5,819**	**$ 7,286**	**$ 1,418**	**$ 1,103**	**$ 2,001**
2024										
Annuity	$ 10,117	$ 82,831	$ —	$ 28	$ 5,377	$ 3,578	$ 7,161	$ 598	$ 424	$ —
Property and Casualty	211	7,285	1,843	407	2,964	418	2,349	602	438	2,595
Life Insurance	368	19,867	—	—	707	299	633	37	224	—
Corporate and Other	—	—	—	—	—	(31)	—	—	156	—
Total	$ 10,696	$ 109,983	$ 1,843	$ 435	$ 9,048	$ 4,264	$ 10,143	$ 1,237	$ 1,242	$ 2,595
2023										
Annuity	$ 1,611	$ 30,855	$ —	$ 29	$ 520	$ 1,121	$ 2,201	$ 95	$ 150	$ —
Property and Casualty	339	6,838	2,056	455	2,222	168	1,535	493	268	2,209
Life Insurance	518	6,013	—	—	1,808	352	724	44	220	—
Corporate and Other	—	—	—	—	—	168	—	—	56	—
Total	$ 2,468	$ 43,706	$ 2,056	$ 484	$ 4,550	$ 1,809	$ 4,460	$ 632	$ 694	$ 2,209

Brookfield Wealth Solutions Ltd.
Schedule IV – Reinsurance

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS, EXCEPT FOR PERCENTAGES	Gross amount	Ceded to other companies	Assumed from other companies	Net amount	Percentage of amount assumed to net
2025					
Life insurance in-force	$ 132,524	$ 105,343	$ 67	$ 27,248	0.2 %
Premiums earned:					
Life and annuity	2,131	227	161	2,065	7.8 %
Health	50	35	—	15	— %
Property and casualty	3,436	1,071	42	2,407	1.7 %
	$ 5,617	**$ 1,333**	**$ 203**	**$ 4,487**	**4.5 %**
2024					
Life insurance in-force	$ 140,113	$ 109,867	$ 83	$ 30,329	0.3 %
Premiums earned:					
Life and annuity	4,144	125	1,284	5,303	24.2 %
Health	89	247	177	19	931.6 %
Property and casualty	4,149	1,230	26	2,945	0.9 %
	$ 8,382	$ 1,602	$ 1,487	$ 8,267	18.0 %
2023					
Life insurance in-force	$ 145,671	$ 23,081	$ 120	$ 122,710	0.1 %
Premiums earned:					
Life and annuity	1,996	177	76	1,895	4.0 %
Health	163	226	150	87	172.4 %
Property and casualty	2,427	890	618	2,155	28.7 %
	$ 4,586	$ 1,293	$ 844	$ 4,137	20.4 %

Brookfield Wealth Solutions Ltd.
Schedule VI – Supplemental Information Concerning Property-Casualty Insurance Operations

AS OF AND FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	**2025**	2024	2023
DAC	**$ 166**	$ 181	$ 171
Reserves for unpaid claims and CAE	**6,890**	7,278	6,829
Amount of discount in reserves for unpaid claims and CAE	**119**	22	21
Unearned premiums	**1,268**	1,835	2,056
Earned premiums	**2,407**	2,945	2,155
Net investment income	**384**	334	116
Claims and CAE incurred relating to:			
Current year	**1,635**	2,187	1,610
Prior years	**70**	155	(51)
Amortization of DAC	**401**	458	417
Paid claims and CAE	**1,809**	2,093	1,497
Gross premiums written	**2,914**	3,973	2,420