2025

Brookfield Wealth Solutions Ltd.

Brookfield

ANNUAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS OF
BROOKFIELD WEALTH SOLUTIONS LTD.
AS OF DECEMBER 31, 2025 AND 2024
AND FOR THE YEARS ENDED
DECEMBER 31, 2025, 2024 AND 2023

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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.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DEC. 31 US$ MILLIONS	Class A exchangeable and Class B shareholders[3] Share capital	Retained earnings	Total	Class C shareholder 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.

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	Amortized Cost Basis by Origination Year						
US$ MILLIONS	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.

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** **Carrying Amount**	**2025** **Maximum Exposure to Loss**	2024 Carrying Amount	2024 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.

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.

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.

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.

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.

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			

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**

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**

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.

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.

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.

Property Line of Business

Accident Year	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										As of December 31, 2025	
	Years ended December 31, (unaudited)										IBNR & Expected Development on Reported Losses	Cumulative Number of Reported Claims
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
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**		

Accident Year	Cumulative Paid Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance									
	Years ended December 31, (unaudited)									
	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**

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)										IBNR & Expected Development on Reported Losses	Cumulative Number of Reported Claims
Accident Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
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	$ —

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(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.

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 Principal Balance	2025 Carrying Amount	2024 Principal Balance	2024 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	Total	Payments due by year 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	Total	Payments due by year 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 Information" within this MD&A.

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:

AS OF DEC. 31, 2025 US$ MILLIONS		Total	Unamortized discount and issuance costs	Payments due by year 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		Total	Unamortized discount and issuance costs	Payments due by year 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

Forward-Looking Information

In addition to historical information, this MD&A contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information may relate to the Company and Brookfield's outlook and anticipated events or results and may include information regarding the financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividends, distributions, plans and objectives of the Company. Particularly, information regarding future results, performance, achievements, prospects or opportunities of the Company, Brookfield's or the Canadian, U.S. or international markets is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved".

The forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or within our control. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements.

We caution that the factors that could cause our actual results to vary from our forward-looking statements described in this MD&A are not exhaustive. The forward-looking statements represent our views as of the date of this MD&A and should not be relied upon as representing our views as of any date subsequent to the date of this MD&A. While we anticipate that subsequent events and developments may cause our views to change, we disclaim any obligation to update the forward-looking statements, other than as required by applicable law. For further information on these known and unknown risks, please see "Risk Factors" included in our most recent annual report on Form 20-F and other risks and factors that are described therein.

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