

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF  
BROOKFIELD WEALTH SOLUTIONS LTD.  
AS OF JUNE 30, 2025 AND DECEMBER 31, 2024  
AND FOR THE THREE AND SIX MONTHS ENDED  
JUNE 30, 2025 AND 2024**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

AS OF US\$ MILLIONS, EXCEPT SHARE DATA	Note	June 30, 2025	December 31, 2024
<b>Assets</b>			
Available-for-sale fixed maturity securities, at fair value (net of allowance for credit losses of \$3 and \$27, respectively; amortized cost of \$55,653 and \$53,651, respectively)	3	\$ 56,222	\$ 53,802
Equity securities, at fair value	4	7,530	3,854
Mortgage loans on real estate, at amortized cost (net of allowance for credit losses of \$153 and \$158, respectively)	5	11,469	12,426
Private loans, at amortized cost (net of allowance for credit losses of \$115 and \$97, respectively)	6	6,752	5,204
Investment real estate, at cost (net of accumulated depreciation of \$256 and \$232, respectively)	7	2,593	2,366
Real estate partnerships	7	4,205	3,438
Investment funds	8	6,421	6,111
Policy loans	11	257	276
Short-term investments, at estimated fair value	11	4,454	4,400
Other invested assets	11	1,062	1,089
<b>Total investments</b>		<b>100,965</b>	<b>92,966</b>
Cash and cash equivalents	11	13,091	12,243
Accrued investment income		810	860
Deferred policy acquisition costs, deferred sales inducements and value of business acquired	14	11,126	10,696
Reinsurance funds withheld	11	1,473	1,517
Premiums due and other receivables		706	647
Ceded unearned premiums		475	520
Deferred tax asset	22	752	760
Reinsurance recoverables and deposit assets	17, 19, 20	12,772	13,195
Property and equipment (net of accumulated depreciation of \$395 and \$377, respectively)		268	272
Intangible assets (net of accumulated amortization of \$173 and \$106, respectively)	15	1,682	1,690
Goodwill		783	783
Other assets	11, 19	2,668	2,461
Separate account assets	13	1,322	1,343
<b>Total assets</b>		<b>148,893</b>	<b>139,953</b>
<b>Liabilities</b>			
Future policy benefits	17	15,204	14,088
Policyholders' account balances	18	86,933	83,079
Policy and contract claims	20	7,520	7,659
Deposit liabilities		1,464	1,502
Market risk benefits	19	4,227	3,655
Unearned premium reserve		1,604	1,843
Due to related parties	26	2,018	684
Other policyholder funds		397	347
Notes payable	8, 11	200	189
Corporate borrowings	21	1,184	1,022
Subsidiary borrowings	21	3,327	3,329
Funds withheld for reinsurance liabilities	11	3,241	3,392
Other liabilities		4,413	4,745
Separate account liabilities	13	1,322	1,343
<b>Total liabilities</b>		<b>133,054</b>	<b>126,877</b>
<b>Equity</b>			
Class A exchangeable and Class B (\$32.92 and \$33.10 par value, respectively; 43,515,520 and 43,460,516 issued, respectively; 41,437,496 and 41,460,516 outstanding, respectively) <sup>(1)</sup>	23	1,435	1,442
Class C (\$1 par value; 242,786,723 and 201,116,647 issued and outstanding, respectively)	23	10,736	8,526
Retained earnings		2,229	2,054
Accumulated other comprehensive income	24	673	204
Non-controlling interests		766	850
<b>Total equity</b>		<b>15,839</b>	<b>13,076</b>
<b>Total liabilities and equity</b>		<b>\$ 148,893</b>	<b>\$ 139,953</b>

(1) 2,078,024 Class A exchangeable shares were held in treasury as of June 30, 2025 (December 31, 2024 – 2,000,000 Class A exchangeable shares).

*The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.*

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE PERIODS ENDED JUN. 30		Three Months Ended		Six Months Ended	
US\$ MILLIONS, EXCEPT PER SHARE AMOUNTS	Note	2025	2024	2025	2024
Net premiums .....	12	\$ 1,029	\$ 1,516	\$ 2,151	\$ 3,047
Other policy revenue .....	12	200	200	379	312
Net investment income .....	10	1,470	1,118	2,883	1,692
Investment related gains (losses) .....	10	328	(114)	225	(70)
Net investment results from reinsurance funds withheld .....		10	182	17	406
<b>Total revenues</b> .....		<b>3,037</b>	2,902	<b>5,655</b>	5,387
Policyholder benefits and claims incurred .....	12, 17, 20	(1,079)	(1,515)	(2,186)	(2,929)
Interest sensitive contract benefits .....	12, 18	(497)	(422)	(1,021)	(607)
Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired .....	14	(363)	(276)	(702)	(501)
Change in fair value of insurance-related derivatives and embedded derivatives .....	9	(131)	13	(331)	57
Change in fair value of market risk benefits .....	12, 19	46	(168)	(315)	(199)
Other reinsurance expenses .....		(1)	(7)	(2)	(14)
Operating expenses .....		(323)	(461)	(705)	(694)
Interest expense .....		(82)	(95)	(155)	(167)
<b>Total benefits and expenses</b> .....		<b>(2,430)</b>	(2,931)	<b>(5,417)</b>	(5,054)
<b>Net income (loss) before income taxes</b> .....		<b>607</b>	(29)	<b>238</b>	333
Income tax recovery (expense) .....	22	(91)	298	(4)	273
<b>Net income</b> .....		<b>\$ 516</b>	\$ 269	<b>\$ 234</b>	\$ 606
Attributable to:					
Class A exchangeable and Class B shareholders <sup>(1)</sup> .....		\$ 4	\$ 3	\$ 8	\$ 6
Class C shareholder .....		497	261	167	593
Non-controlling interests .....		15	5	59	7
		<b>\$ 516</b>	\$ 269	<b>\$ 234</b>	\$ 606
<b>Net income per Class C share:</b>					
Basic .....	25	<b>\$ 2.44</b>	\$ 1.95	<b>\$ 0.83</b>	\$ 4.85

(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 unaudited condensed consolidated financial statements.*

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIODS ENDED JUN. 30		Three Months Ended		Six Months Ended	
US\$ MILLIONS	Note	2025	2024	2025	2024
Net income .....		\$ 516	\$ 269	\$ 234	\$ 606
Other comprehensive income (loss), net of tax:					
Change in net unrealized investment gains .....		78	345	396	239
Foreign currency translation .....		131	(13)	169	(27)
Change in discount rate for future policy benefits .....	17	(8)	90	(66)	249
Change in instrument-specific credit risk for market risk benefits .....	19	(74)	60	(25)	22
Defined benefit pension plan adjustment .....		(2)	16	(5)	19
<b>Total other comprehensive income .....</b>	<b>24</b>	<b>125</b>	<b>498</b>	<b>469</b>	<b>502</b>
<b>Comprehensive income .....</b>		<b>\$ 641</b>	<b>\$ 767</b>	<b>\$ 703</b>	<b>\$ 1,108</b>
Attributable to:					
Class A exchangeable and Class B shareholders <sup>(1)</sup> .....		\$ 4	\$ 3	\$ 8	\$ 6
Class C shareholder .....		622	759	636	1,095
Non-controlling interests .....		15	5	59	7
		<b>\$ 641</b>	<b>\$ 767</b>	<b>\$ 703</b>	<b>\$ 1,108</b>

- (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 unaudited condensed consolidated financial statements.*

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED JUN. 30, 2025 US\$ MILLIONS	Class A exchangeable and Class B shareholders			Class C shareholder					
	Share capital	Retained earnings	Total	Share capital	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
<b>Balance as of January 1, 2025</b>	\$ 1,442	\$ 28	\$ 1,470	\$ 8,526	\$ 2,026	\$ 204	\$ 10,756	\$ 850	\$ 13,076
Net income (loss)	—	4	4	—	(330)	—	(330)	44	(282)
Other comprehensive income	—	—	—	—	—	344	344	—	344
Comprehensive income (loss)	—	4	4	—	(330)	344	14	44	62
Other items:									
Equity issuances, net	—	—	—	—	—	—	—	(90)	(90)
Distributions <sup>(1)</sup>	(4)	—	(4)	—	—	—	—	(33)	(37)
Acquisition of treasury shares, net	(1)	—	(1)	—	—	—	—	—	(1)
Total change in period	(5)	4	(1)	—	(330)	344	14	(79)	(66)
<b>Balance as of March 31, 2025</b>	<b>\$ 1,437</b>	<b>\$ 32</b>	<b>\$ 1,469</b>	<b>\$ 8,526</b>	<b>\$ 1,696</b>	<b>\$ 548</b>	<b>\$ 10,770</b>	<b>\$ 771</b>	<b>\$ 13,010</b>
Net income	—	4	4	—	497	—	497	15	516
Other comprehensive income	—	—	—	—	—	125	125	—	125
Comprehensive income	—	4	4	—	497	125	622	15	641
Other items:									
Equity issuances, net	2	—	2	2,210	—	—	2,210	(5)	2,207
Distributions <sup>(1)</sup>	(4)	—	(4)	—	—	—	—	(15)	(19)
Total change in period	(2)	4	2	2,210	497	125	2,832	(5)	2,829
<b>Balance as of June 30, 2025</b>	<b>\$ 1,435</b>	<b>\$ 36</b>	<b>\$ 1,471</b>	<b>\$ 10,736</b>	<b>\$ 2,193</b>	<b>\$ 673</b>	<b>\$ 13,602</b>	<b>\$ 766</b>	<b>\$ 15,839</b>

(1) The Company distributed \$0.09 in the form of a return of capital per each Class A exchangeable and Class B share in the first and second quarters of 2025.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**

FOR THE PERIODS ENDED JUN. 30, 2024 US\$ MILLIONS	Class A exchangeable, Class A-1 exchangeable and Class B shareholders			Class C shareholder					
	Share capital	Retained earnings	Total	Share capital	Retained earnings	Accumulated other comprehensive income (loss)	Total	Non-controlling interests	Total equity
<b>Balance as of January 1, 2024</b>	\$ 1,577	\$ 14	\$ 1,591	\$ 3,607	\$ 931	\$ (120)	\$ 4,418	\$ 146	\$ 6,155
Net income	—	3	3	—	332	—	332	2	337
Other comprehensive income	—	—	—	—	—	4	4	—	4
Comprehensive income	—	3	3	—	332	4	336	2	341
Other items:									
Distributions and redeemable preferred share dividends <sup>(1)</sup>	(3)	—	(3)	—	(28)	—	(28)	(3)	(34)
Total change in period	(3)	3	—	—	304	4	308	(1)	307
<b>Balance as of March 31, 2024</b>	\$ 1,574	\$ 17	\$ 1,591	\$ 3,607	\$ 1,235	\$ (116)	\$ 4,726	\$ 145	\$ 6,462
Net income	—	3	3	—	261	—	261	5	269
Other comprehensive income	—	—	—	—	—	498	498	—	498
Comprehensive income	—	3	3	—	261	498	759	5	767
Other items:									
Equity issuances	—	—	—	1,119	—	—	1,119	—	1,119
Non-controlling interest assumed on acquisition	—	—	—	—	—	—	—	713	713
Distributions and redeemable preferred share dividends <sup>(1)</sup>	(3)	—	(3)	—	(28)	—	(28)	(15)	(46)
Total change in period	(3)	3	—	1,119	233	498	1,850	703	2,553
<b>Balance as of June 30, 2024</b>	\$ 1,571	\$ 20	\$ 1,591	\$ 4,726	\$ 1,468	\$ 382	\$ 6,576	\$ 848	\$ 9,015

(1) The Company distributed \$0.08 in the form of a return of capital per each Class A exchangeable, Class A-1 exchangeable and Class B share in the first and second quarters of 2024.

*The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.*

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUN. 30  
US\$ MILLIONS

	2025	2024
<b>Operating activities</b>		
Net income	\$ 234	\$ 606
Adjustments to reconcile net income to net cash from operating activities:		
Other policy revenue	(379)	(312)
Accretion on investments	(449)	118
Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired	702	501
Deferral of policy acquisition costs	(784)	(575)
Gains on investments and derivatives	(67)	(335)
Provisions for credit losses	8	20
Income from real estate partnerships, investment funds and corporations	(392)	(256)
Distributions from real estate partnerships, investment funds and corporations	243	190
Interest credited to policyholders' account balances	1,000	655
Change in fair value of embedded derivatives...	241	52
Depreciation and amortization	107	93
Deferred income taxes	(10)	(328)
Changes in operating assets and liabilities:		
Insurance-related liabilities	605	1,349
Deposit liabilities	(96)	(46)
Funds withheld under reinsurance	(123)	(216)
Reinsurance recoverables and deposit assets	593	87
Accrued investment income	20	(88)
Working capital and other	(413)	(76)
<b>Cash flows from operating activities</b>	<b>1,040</b>	<b>1,439</b>
<b>Investing activities</b>		
Acquisition of subsidiary, net of cash acquired	—	10,843
Purchase of investments:		
Available-for-sale fixed maturity securities	(7,056)	(6,422)
Equity securities	(64)	(70)
Mortgage loans on real estate	(581)	(634)
Private loans	(1,434)	(1,912)
Investment real estate and real estate partnerships	(1,044)	(1,399)
Investment funds	(1,161)	(174)
Short-term investments	(11,623)	(10,970)
Other invested assets	(25)	(141)
Proceeds from sales and maturities of investments:		
Available-for-sale fixed maturity securities	5,903	3,729
Equity securities	198	32
Mortgage loans on real estate	1,615	734
Private loans	747	344
Investment real estate and real estate partnerships	69	201
Investment funds	244	458
Short-term investments	11,426	12,007
Other invested assets	200	38
Purchases of derivatives	(465)	(177)
Proceeds from sales and maturities of derivatives	549	236
Purchase of intangibles and property and equipment	(30)	(31)
Proceeds from sales of intangibles and property and equipment	—	27
Change in collateral held for derivatives	(306)	261
Other	24	(50)
<b>Cash flows from investing activities</b>	<b>(2,814)</b>	<b>6,930</b>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED JUN. 30  
US\$ MILLIONS

	2025	2024
<b>Financing activities</b>		
Return of capital to common stockholders .....	(8)	(6)
Borrowings from related parties .....	—	1,988
Repayment of borrowings to related parties .....	(65)	(1,838)
Borrowings from external parties .....	1,635	3,098
Repayment of borrowings to external parties .....	(1,462)	(2,576)
Repayment of borrowings issued to reinsurance entities .....	(8)	—
Policyholders' account deposits .....	7,417	4,052
Policyholders' account withdrawals .....	(4,751)	(3,041)
Debt issuance costs .....	(6)	(4)
Proceeds from repurchase agreement .....	33	136
Repayments of repurchase agreement .....	(33)	(129)
Redemption of capital with non-controlling interests, net .....	(95)	—
Distributions to non-controlling interests .....	(48)	(18)
<b>Cash flows from financing activities</b> .....	<b>2,609</b>	<b>1,662</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents, beginning of period .....	12,243	4,308
Net change during the period .....	835	10,031
Foreign exchange on cash balances held in foreign currencies .....	13	(4)
<b>Cash and cash equivalents, end of period</b> .....	<b>\$ 13,091</b>	<b>\$ 14,335</b>
<b>Supplementary cash flow disclosure</b>		
Cash taxes paid (net of refunds received) .....	\$ 73	\$ (32)
Cash interest paid .....	114	177
Non-cash transactions:		
Investments received in connection with pension risk transfer transactions .....	—	462
Investments received in relation to the issuance of common stock .....	3,535	1,119
Investments received in connection with the sale of investment funds .....	786	—
Equity securities transferred as consideration paid for acquisition of a subsidiary .....	—	(1,111)

*The accompanying notes are an integral part of the unaudited condensed 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 BAM Re Holdings Ltd. (“**BAM Re Holdings**”), we hold the interest in our operating subsidiaries, which are: American National Group Inc. (“**ANGI**”), Argo Group International Holdings, Inc. (“**Argo**”), 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 unaudited condensed 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 financial statements should be read in conjunction with the December 31, 2024 audited consolidated financial statements of the Company and accompanying notes and financial statement schedules included on the Form 20-F, filed with the SEC on March 27, 2025. The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the results for any subsequent period or the entire fiscal year ending December 31, 2025. These financial statements reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of results for the interim periods presented in accordance with GAAP.

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 use of estimates are fair value of certain financial assets, derivatives, allowances for credit losses, deferred policy acquisition costs (“**DAC**”), value of business acquired (“**VOBA**”), reinsurance funds withheld, goodwill and other intangibles, market risk benefits (“**MRB**”), future policy benefits (“**FPB**”), policyholders’ account balances (“**PAB**”) including the fair value of embedded derivatives, policy and contract claims, income taxes including the recoverability of deferred tax assets, and the potential effects of resolving litigated matters. Such estimates and assumptions are subject to inherent uncertainties, which may result in actual amounts differing from reported amounts.

### 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 either by 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.

The consolidation assessment depends on the specific facts and circumstances for each entity and requires judgment. Refer to Note 2 of the Company’s December 31, 2024 audited consolidated financial statements for a further description of the Company’s accounting policies regarding consolidation.

### Adoption of New Accounting Standards

In the current period, the Company did not adopt any Accounting Standard Update (“ASU”) issued by the Financial Accounting Standards Board (“FASB”) that were material in presentation or amount.

### Recently issued accounting pronouncements

The Company continues to assess the impacts of the following ASUs issued but not yet adopted as of June 30, 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 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 will be effective for annual reporting periods beginning after December 15, 2024 to be applied prospectively with an option for retrospective application, with early adoption permitted. We do not expect the adoption of this ASU to have a material impact on our financial statements.

**ASU 2024-03** – 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. This ASU 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.

### 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 JUN. 30, 2025 US\$ MILLIONS	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
U.S. treasury and government .....	\$ 403	\$ 4	\$ (42)	\$ —	\$ 365
U.S. state and municipal .....	3,152	65	(35)	—	3,182
Foreign governments .....	1,903	21	(35)	—	1,889
Corporate debt securities .....	39,073	818	(396)	(2)	39,493
Residential mortgage-backed securities .....	1,158	40	(2)	—	1,196
Commercial mortgage-backed securities .....	3,796	120	(39)	—	3,877
Collateralized debt securities .....	6,168	115	(62)	(1)	6,220
<b>Total fixed maturity securities .....</b>	<b>\$ 55,653</b>	<b>\$ 1,183</b>	<b>\$ (611)</b>	<b>\$ (3)</b>	<b>\$ 56,222</b>

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
<b>Total fixed maturity securities .....</b>	<b>\$ 53,651</b>	<b>\$ 845</b>	<b>\$ (667)</b>	<b>\$ (27)</b>	<b>\$ 53,802</b>

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 JUN. 30, 2025 US\$ MILLIONS	Amortized Cost	Fair Value
Due in one year or less .....	\$ 1,962	\$ 1,967
Due after one year through five years .....	17,482	17,773
Due after five years through ten years .....	6,963	7,123
Due after ten years .....	18,124	18,066
	<b>44,531</b>	<b>44,929</b>
Residential mortgage-backed securities .....	1,158	1,196
Commercial mortgage-backed securities .....	3,796	3,877
Collateralized debt securities .....	6,168	6,220
<b>Total .....</b>	<b>\$ 55,653</b>	<b>\$ 56,222</b>

Proceeds from sales of available-for-sale fixed maturity securities, with the related gross realized gains and losses, are shown below:

FOR THE PERIODS ENDED JUN. 30 US\$ MILLIONS	Three Months Ended		Six Months Ended	
	2025	2024	2025	2024
Proceeds from sales of available-for-sale fixed maturity securities .....	\$ 3,853	\$ 2,617	\$ 5,903	\$ 3,729
Gross realized gains .....	13	9	19	24
Gross realized losses .....	(65)	(31)	(68)	(37)

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 \$9.6 billion and \$8.9 billion as of June 30, 2025 and December 31, 2024, respectively.

In accordance with various regulations, the Company has securities on deposit with regulating authorities with a carrying value of \$183 million and \$213 million as of June 30, 2025 and December 31, 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:

	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
AS OF JUN. 30, 2025									
US\$ MILLIONS, EXCEPT NUMBER OF ISSUES									
U.S. treasury and government .....	4	\$ (8)	\$ 18	21	\$ (34)	\$ 101	25	\$ (42)	\$ 119
U.S. state and municipal .....	140	(17)	788	93	(18)	222	233	(35)	1,010
Foreign governments .....	37	(16)	702	28	(19)	91	65	(35)	793
Corporate debt securities .....	803	(149)	5,550	480	(247)	4,053	1,283	(396)	9,603
Residential mortgage-backed securities .....	38	(1)	138	4	(1)	21	42	(2)	159
Commercial mortgage-backed securities .....	47	(26)	481	25	(13)	164	72	(39)	645
Collateralized debt securities .....	124	(27)	1,406	20	(35)	474	144	(62)	1,880
<b>Total .....</b>	<b>1,193</b>	<b>\$ (244)</b>	<b>\$ 9,083</b>	<b>671</b>	<b>\$ (367)</b>	<b>\$ 5,126</b>	<b>1,864</b>	<b>\$ (611)</b>	<b>\$ 14,209</b>

	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
AS OF DEC. 31, 2024									
US\$ MILLIONS, EXCEPT NUMBER OF ISSUES									
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
<b>Total .....</b>	<b>2,257</b>	<b>\$ (295)</b>	<b>\$ 11,700</b>	<b>867</b>	<b>\$ (372)</b>	<b>\$ 5,488</b>	<b>3,124</b>	<b>\$ (667)</b>	<b>\$ 17,188</b>

The unrealized losses as of June 30, 2025 and December 31, 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 96% and 89% of the fair value of fixed maturity securities shown above as of June 30, 2025 and December 31, 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 June 30, 2025 and December 31, 2024.

The rollforward of the allowance for credit losses for available-for-sale fixed maturity securities is shown below for the three and six months ended June 30, 2025 and 2024:

	Corporate Debt Securities	Residential Mortgage Backed Securities	Commercial Mortgage Backed Securities	Collateralized Debt Securities	Total
FOR THE PERIODS ENDED JUN. 30, 2025					
US\$ MILLIONS					
<b>Balance as of January 1, 2025</b> .....	\$ (26)	\$ (1)	\$ —	\$ —	\$ (27)
Credit losses recognized on securities for which credit losses were not previously recorded .....	(7)	—	—	(1)	(8)
Reductions for securities sold during the period .....	15	—	—	—	15
Changes in previously recorded allowance .....	8	—	—	—	8
<b>Balance as of March 31, 2025</b> .....	<u>\$ (10)</u>	<u>\$ (1)</u>	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ (12)</u>
Credit losses recognized on securities for which credit losses were not previously recorded .....	(3)	—	—	(1)	(4)
Changes in previously recorded allowance .....	11	1	—	1	13
<b>Balance as of June 30, 2025</b> .....	<u>\$ (2)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ (3)</u>
FOR THE PERIODS ENDED JUN. 30, 2024					
US\$ MILLIONS					
<b>Balance as of January 1, 2024</b> .....	\$ (19)	\$ (1)	\$ (6)	\$ (4)	\$ (30)
Credit losses recognized on securities for which credit losses were not previously recorded .....	(12)	—	—	—	(12)
Reductions for securities sold during the period .....	1	—	—	—	1
Changes in previously recorded allowance .....	6	1	—	2	9
<b>Balance as of March 31, 2024</b> .....	<u>\$ (24)</u>	<u>\$ —</u>	<u>\$ (6)</u>	<u>\$ (2)</u>	<u>\$ (32)</u>
Credit losses recognized on securities for which credit losses were not previously recorded .....	(14)	—	—	—	(14)
Changes in previously recorded allowance .....	3	—	—	—	3
<b>Balance as of June 30, 2024</b> .....	<u>\$ (35)</u>	<u>\$ —</u>	<u>\$ (6)</u>	<u>\$ (2)</u>	<u>\$ (43)</u>

No accrued interest receivables were written off as of June 30, 2025 and December 31, 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 PERIODS ENDED JUN. 30 US\$ MILLIONS	Three Months Ended		Six Months Ended	
	2025	2024	2025	2024
Unrealized gains (losses) on equity securities .....	\$ 477	\$ (144)	\$ 217	\$ (124)
Net gains (losses) on equity securities sold .....	(7)	172	71	172
<b>Net gains on equity securities .....</b>	<b>\$ 470</b>	<b>\$ 28</b>	<b>\$ 288</b>	<b>\$ 48</b>

Equity securities by market sector distribution are shown below, based on carrying value:

AS OF	June 30, 2025	December 31, 2024
Consumer goods .....	1 %	5 %
Education .....	4 %	7 %
Energy and utilities .....	7 %	5 %
Finance .....	75 %	62 %
Healthcare .....	1 %	3 %
Industrials .....	6 %	7 %
Information technology .....	5 %	10 %
Other .....	1 %	1 %
<b>Total .....</b>	<b>100 %</b>	<b>100 %</b>

#### 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 US\$ MILLIONS	June 30, 2025	December 31, 2024
Commercial mortgage loans .....	\$ 9,057	\$ 9,891
Residential mortgage loans .....	2,565	2,693
<b>Total .....</b>	<b>11,622</b>	<b>12,584</b>
Allowance for credit losses .....	(153)	(158)
<b>Total, net of allowance .....</b>	<b>\$ 11,469</b>	<b>\$ 12,426</b>

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 US\$ MILLIONS, EXCEPT FOR PERCENTAGES	June 30, 2025		December 31, 2024	
	Amount	Percentage	Amount	Percentage
<b>Geographic distribution:</b>				
Pacific .....	\$ 2,077	23 %	\$ 2,126	21 %
Mountain .....	1,445	16 %	1,687	17 %
West North Central .....	296	3 %	302	3 %
West South Central .....	1,405	15 %	1,480	15 %
East North Central .....	894	10 %	1,084	11 %
East South Central .....	138	2 %	146	1 %
Middle Atlantic .....	619	7 %	677	7 %
South Atlantic .....	1,783	19 %	2,029	21 %
New England .....	158	2 %	149	2 %
Other (multi-region, non-US) .....	242	3 %	211	2 %
<b>Total</b> .....	<b>\$ 9,057</b>	<b>100 %</b>	<b>\$ 9,891</b>	<b>100 %</b>
Allowance for credit losses .....	(140)		(149)	
<b>Total, net of allowance</b> .....	<b>\$ 8,917</b>		<b>\$ 9,742</b>	

AS OF US\$ MILLIONS, EXCEPT FOR PERCENTAGES	June 30, 2025		December 31, 2024	
	Amount	Percentage	Amount	Percentage
<b>Property type distribution:</b>				
Agricultural .....	\$ 446	5 %	\$ 447	5 %
Apartment .....	2,387	26 %	2,533	25 %
Hotel .....	1,057	12 %	1,251	13 %
Industrial .....	1,741	19 %	1,930	20 %
Office .....	1,294	14 %	1,418	13 %
Parking .....	251	3 %	297	3 %
Retail .....	1,514	17 %	1,633	17 %
Storage .....	152	2 %	181	2 %
Other .....	215	2 %	201	2 %
<b>Total</b> .....	<b>\$ 9,057</b>	<b>100 %</b>	<b>\$ 9,891</b>	<b>100 %</b>
Allowance for credit losses .....	(140)		(149)	
<b>Total, net of allowance</b> .....	<b>\$ 8,917</b>		<b>\$ 9,742</b>	

There was \$1 million and no interest income recognized on loans in non-accrual status for the six months ended June 30, 2025 and 2024, 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 and no uncollectible accrued interest receivable on its commercial or residential mortgage loan portfolios for the six months ended June 30, 2025 and 2024, respectively. The rollforward of the allowance for credit losses for mortgage loans for the three and six months ended June 30, 2025 and 2024 is shown below:

FOR THE PERIODS ENDED JUN. 30 US\$ MILLIONS	2025		2024	
	Commercial mortgage loans	Residential mortgage loans	Commercial mortgage loans	Residential mortgage loans
<b>Balance as of January 1</b> .....	\$ (149)	\$ (9)	\$ (60)	\$ —
Provision .....	(12)	(1)	(1)	—
Writeoffs charged against the allowance .....	3	—	—	—
<b>Balance as of March 31</b> .....	<u>\$ (158)</u>	<u>\$ (10)</u>	<u>\$ (61)</u>	<u>\$ —</u>
Recovery (provision) .....	18	(3)	(5)	—
<b>Balance as of June 30</b> .....	<u>\$ (140)</u>	<u>\$ (13)</u>	<u>\$ (66)</u>	<u>\$ —</u>

## 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 JUN. 30, 2025 US\$ MILLIONS	Amortized Cost Basis by Origination Year						Total
	2025	2024	2023	2022	2021	Prior	
<b>Commercial mortgage loans:</b>							
Current .....	\$ 240	\$ 430	\$ 590	\$ 2,268	\$ 1,141	\$ 4,034	\$ 8,703
30-59 days past due .....	—	82	—	10	—	15	107
60-89 days past due .....	—	—	—	—	—	42	42
Non-accrual .....	—	—	12	8	53	132	205
<b>Residential mortgage loans:</b>							
Current .....	208	329	572	843	203	123	2,278
30-59 days past due .....	3	6	20	32	6	4	71
60-89 days past due .....	—	1	8	29	4	2	44
Non-accrual .....	—	1	78	72	12	9	172
<b>Total mortgage loans on real estate</b> .....	<u>\$ 451</u>	<u>\$ 849</u>	<u>\$ 1,280</u>	<u>\$ 3,262</u>	<u>\$ 1,419</u>	<u>\$ 4,361</u>	<u>\$11,622</u>
Allowance for credit losses .....							(153)
<b>Total, net of allowance</b> .....							<u>\$11,469</u>

AS OF DEC. 31, 2024 US\$ MILLIONS	Amortized Cost Basis by Origination Year						Total
	2024	2023	2022	2021	2020	Prior	
<b>Commercial mortgage loans:</b>							
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
<b>Residential mortgage loans:</b>							
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
<b>Total mortgage loans on real estate .....</b>	<b>\$ 866</b>	<b>\$ 1,529</b>	<b>\$ 3,635</b>	<b>\$ 1,594</b>	<b>\$ 1,114</b>	<b>\$ 3,846</b>	<b>\$12,584</b>
Allowance for credit losses .....							(158)
<b>Total, net of allowance .....</b>							<b>\$12,426</b>

Generally, mortgage loans are secured by first liens on income-producing real estate with a loan-to-value ratio of up to 75%. 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 June 30, 2025, 322 mortgage loans were past due over 90 days or in non-accrual status (December 31, 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 \$89 million and \$85 million for the six months ended June 30, 2025 and 2024, respectively.

## NOTE 6. PRIVATE LOANS

The following table summarizes the credit ratings of our private loans:

AS OF US\$ MILLIONS	June 30, 2025	December 31, 2024
A or higher .....	\$ 2,341	\$ 1,595
BBB .....	822	692
BB and below .....	2,458	875
Unrated <sup>(1)</sup> .....	1,131	2,042
<b>Total</b> .....	<b>\$ 6,752</b>	<b>\$ 5,204</b>

- (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 for the three and six months ended June 30, 2025 and 2024 is shown below:

FOR THE PERIODS ENDED JUN. 30 US\$ MILLIONS	2025	2024
<b>Balance as of January 1</b> .....	\$ (97)	\$ (44)
Recovery (provision) .....	(8)	2
Writeoffs charged against the allowance .....	—	1
<b>Balance as of March 31</b> .....	<b>\$ (105)</b>	<b>\$ (41)</b>
Provision .....	(10)	(15)
<b>Balance as of June 30</b> .....	<b>\$ (115)</b>	<b>\$ (56)</b>

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 six months ended June 30, 2025 and 2024, 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 JUN. 30, 2025 US\$ MILLIONS, EXCEPT FOR PERCENTAGES	Investment real estate <sup>(1)</sup>		Real estate partnerships	
	Amount	Percentage	Amount	Percentage
Hotel.....	\$ 135	5 %	\$ 97	2 %
Industrial.....	58	2 %	77	2 %
Land.....	492	19 %	37	1 %
Office.....	305	12 %	1,924	45 %
Retail.....	211	8 %	1,497	36 %
Apartments.....	46	2 %	411	10 %
Single family residential.....	1,330	51 %	—	— %
Other.....	16	1 %	162	4 %
<b>Total.....</b>	<b>\$ 2,593</b>	<b>100 %</b>	<b>\$ 4,205</b>	<b>100 %</b>

AS OF DEC. 31, 2024 US\$ MILLIONS, EXCEPT FOR PERCENTAGES	Investment real estate <sup>(1)</sup>		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 %
<b>Total.....</b>	<b>\$ 2,366</b>	<b>100 %</b>	<b>\$ 3,438</b>	<b>100 %</b>

(1) Investment real estate for single family residential property is fair valued as a result of consolidation of investment company VIE in accordance with ASC 946.

As of June 30, 2025, \$13 million of real estate investments met the criteria as held-for-sale (December 31, 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 June 30, 2025 and December 31, 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 US\$ MILLIONS	June 30, 2025	December 31, 2024
Available-for-sale fixed maturity securities .....	\$ 347	\$ 127
Equity securities .....	438	576
Mortgages on real estate, net of allowance .....	212	189
Private loans, net of allowance .....	1,711	1,384
Investment real estate .....	2,277	1,798
Real estate partnerships .....	3,715	2,885
Investment funds .....	5,619	4,804
Other invested assets .....	206	144
Cash and cash equivalents .....	165	218
Other assets .....	301	404
<b>Total assets of consolidated VIEs .....</b>	<b>\$ 14,991</b>	<b>\$ 12,529</b>
Notes payable .....	200	189
Other liabilities .....	431	363
<b>Total liabilities of consolidated VIEs .....</b>	<b>\$ 631</b>	<b>\$ 552</b>

**(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 June 30, 2025 and December 31, 2024.

The carrying amount and maximum exposure to loss relating to these unconsolidated VIEs are as follows:

AS OF US\$ MILLIONS	June 30, 2025		December 31, 2024	
	Carrying Amount	Maximum Exposure to Loss	Carrying Amount	Maximum Exposure to Loss
Available-for-sale fixed maturity securities .....	\$ 1,222	\$ 1,334	\$ 2,142	\$ 3,003
Equity securities .....	862	862	466	466
Mortgages on real estate, net of allowance .....	615	617	716	731
Private loans, net of allowance .....	105	105	—	—
Real estate partnerships .....	3,410	3,414	2,548	2,579
Investment funds .....	4,363	5,023	1,989	2,153
Short-term investments .....	446	446	99	99
Other invested assets .....	175	203	173	189
<b>Total .....</b>	<b>\$ 11,198</b>	<b>\$ 12,004</b>	<b>\$ 8,133</b>	<b>\$ 9,220</b>

**(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 VIE under ASC 946. As of June 30, 2025 and December 31, 2024, the Company’s equity method investments were \$7.8 billion and \$7.5 billion, respectively. Balance as of June 30, 2025 includes \$1.0 billion of equity method investments in common stock for which a quoted market price is available (December 31, 2024 – \$901 million). The aggregate value of such investments based on the quoted market price as of June 30, 2025 was \$1.1 billion (December 31, 2024 – \$1.0 billion).

We generally recognize our share of earnings in our equity method investments within “Net investment income” using a three-month lag in instances where the investee’s financial information is not sufficiently timely or when the investee’s reporting period differs from our reporting period.

## 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. 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 US\$ MILLIONS	Primary underlying risk	June 30, 2025			December 31, 2024		
		Notional Amount	Fair Value <sup>(1)</sup>		Notional Amount	Fair Value <sup>(1)</sup>	
			Assets	Liabilities		Assets	Liabilities
<b>Derivatives designated as hedging instruments:</b>							
Foreign exchange forwards .....	Foreign currency .....	\$ 1,188	\$ —	\$ (57)	\$ 1,625	\$ 21	\$ (18)
Cross currency swaps .....	Foreign currency .....	1,891	56	—	1,330	9	(16)
Interest rate swaps .....	Interest rate .....	900	18	—	—	—	—
<b>Derivatives not designated as hedging instruments:</b>							
Equity-indexed options .....	Equity .....	\$ 46,394	\$ 1,118	\$ (3)	\$ 46,374	\$ 1,311	\$ (5)
Equity total return swaps .....	Equity .....	470	19	(4)	18	1	—
Foreign exchange forwards .....	Foreign currency .....	3,060	12	(165)	3,684	34	(9)
Cross currency swaps .....	Foreign currency .....	416	—	(19)	38	—	—
Interest rate swaps .....	Interest rate .....	1,030	21	(5)	985	15	(9)
		<u>\$ 55,349</u>	<u>\$ 1,244</u>	<u>\$ (253)</u>	<u>\$ 54,054</u>	<u>\$ 1,391</u>	<u>\$ (57)</u>

(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 PERIODS ENDED JUN. 30 US\$ MILLIONS	Three Months Ended		Six Months Ended	
	2025	2024	2025	2024
<b>Foreign currency derivatives:</b>				
Hedged items .....	\$ (67)	\$ 15	\$ (32)	\$ 56
Derivatives designated as hedging instruments .....	58	(14)	23	(55)
<b>Interest rate derivatives:</b>				
Hedged items .....	8	—	18	—
Derivatives designated as hedging instruments .....	(8)	—	(18)	—
<b>Gains (losses) on fair value hedges .....</b>	<b>\$ (9)</b>	<b>\$ 1</b>	<b>\$ (9)</b>	<b>\$ 1</b>

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:

AS OF US\$ MILLIONS	Carrying Amount of the Hedged Assets (Liabilities)		Cumulative Amount of Fair Value Hedging Adjustments Included in the Carrying Amount of Hedge Assets (Liabilities)	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
<b>Location in the statements of financial position</b>				
Policyholders’ account balances .....	\$ (912)	\$ —	\$ (18)	\$ —

### *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 PERIODS ENDED JUN. 30 US\$ MILLIONS	Three Months Ended		Six Months Ended	
	2025	2024	2025	2024
Equity-indexed options .....	\$ 232	\$ 285	\$ (102)	\$ 385
Equity total return swaps .....	20	—	33	—
Foreign exchange forwards .....	(234)	(6)	(281)	(2)
Cross currency swaps .....	(14)	—	(15)	—
Interest rate options .....	—	1	—	1
Interest rate swaps .....	(2)	—	3	(3)
Bond futures .....	—	9	—	5
<b>Total</b> .....	<b>\$ 2</b>	<b>\$ 289</b>	<b>\$ (362)</b>	<b>\$ 386</b>

### *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 BBB+ as of June 30, 2025 (December 31, 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 JUN. 30, 2025 US\$ MILLIONS	Gross amount of derivative instruments <sup>(1)</sup>	Gross amounts offset in the statements of financial position <sup>(2)</sup>	Net amount presented on the statements of financial position	Collateral (received) pledged in cash <sup>(3)</sup>	Collateral (received) pledged in invested assets <sup>(3)</sup>	Exposure net of collateral
<b>Derivative assets:</b>						
Equity-indexed options .....	\$ 1,118	\$ (65)	\$ 1,053	\$ (987)	\$ (21)	\$ 45
Equity total return swaps .....	19	—	19	—	—	19
Foreign exchange forwards .....	12	(12)	—	—	—	—
Cross currency swaps .....	56	(2)	54	—	—	54
Interest rate swaps .....	39	(5)	34	—	—	34
<b>Total derivative assets .....</b>	<b>\$ 1,244</b>	<b>\$ (84)</b>	<b>\$ 1,160</b>	<b>\$ (987)</b>	<b>\$ (21)</b>	<b>\$ 152</b>
<b>Derivative liabilities:</b>						
Equity-indexed options .....	\$ (3)	\$ 3	\$ —	\$ —	\$ —	\$ —
Equity total return swaps .....	(4)	—	(4)	—	—	(4)
Foreign exchange forwards .....	(222)	74	(148)	—	1	(147)
Cross currency swaps .....	(19)	2	(17)	—	—	(17)
Interest rate swaps .....	(5)	5	—	—	—	—
<b>Total derivative liabilities .....</b>	<b>\$ (253)</b>	<b>\$ 84</b>	<b>\$ (169)</b>	<b>\$ —</b>	<b>\$ 1</b>	<b>\$ (168)</b>

(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 June 30, 2025, the Company held excess collateral of \$59 million.

AS OF DEC. 31, 2024 US\$ MILLIONS	Gross amount of derivative instruments <sup>(1)</sup>	Gross amounts offset in the statements of financial position <sup>(2)</sup>	Net amount presented on the statements of financial position	Collateral (received) pledged in cash <sup>(3)</sup>	Collateral (received) pledged in invested assets <sup>(3)</sup>	Exposure net of collateral
<b>Derivative assets:</b>						
Equity-indexed options .....	\$ 1,311	\$ (5)	\$ 1,306	\$ (1,298)	\$ —	\$ 8
Equity total return swaps .....	1	—	1	—	—	1
Foreign exchange forwards .....	55	(1)	54	—	—	54
Cross currency swaps .....	9	(9)	—	—	—	—
Interest rate swaps .....	15	(15)	—	—	—	—
<b>Total derivative assets .....</b>	<b>\$ 1,391</b>	<b>\$ (30)</b>	<b>\$ 1,361</b>	<b>\$ (1,298)</b>	<b>\$ —</b>	<b>\$ 63</b>
<b>Derivative liabilities:</b>						
Equity-indexed options .....	(5)	5	—	—	\$ —	\$ —
Equity total return swaps .....	—	—	—	—	—	—
Foreign exchange forwards .....	\$ (27)	\$ 7	\$ (20)	\$ —	\$ 18	\$ (2)
Cross currency swaps .....	(16)	9	(7)	—	5	(2)
Interest rate swaps .....	(9)	9	—	—	—	—
<b>Total derivative liabilities .....</b>	<b>\$ (57)</b>	<b>\$ 30</b>	<b>\$ (27)</b>	<b>\$ —</b>	<b>\$ 23</b>	<b>\$ (4)</b>

(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 US\$ MILLIONS	Location in the statements of financial position	June 30, 2025		December 31, 2024	
		Fair Value		Fair Value	
		Assets	Liabilities	Assets	Liabilities
Modco arrangement .....	Reinsurance funds withheld .....	\$ 6	\$ —	\$ 18	\$ —
Indexed annuity and variable annuity product .....	Policyholders' account balances .....	—	(6,257)	—	(1,123)
Funds withheld arrangement .....	Funds withheld for reinsurance liabilities	—	(63)	—	(37)
		<u>\$ 6</u>	<u>\$ (6,320)</u>	<u>\$ 18</u>	<u>\$ (1,160)</u>

The following represents the amount of gains (losses) related to embedded derivatives recorded in the statements of operations:

FOR THE PERIODS ENDED JUN. 30 US\$ MILLIONS	Location in the statements of operations	Three Months Ended		Six Months Ended	
		2025	2024	2025	2024
Modco arrangement .....	Net investment results from reinsurance funds withheld .....	\$ (2)	\$ 141	\$ (12)	\$ 276
Indexed annuity and variable annuity product.	Change in fair value of insurance-related derivatives and embedded derivatives .....	(355)	(237)	(200)	(294)
Funds withheld arrangement .....	Change in fair value of insurance-related derivatives and embedded derivatives .....	(8)	(35)	(29)	(34)
		<u>\$ (365)</u>	<u>\$ (131)</u>	<u>\$ (241)</u>	<u>\$ (52)</u>

## NOTE 10. NET INVESTMENT INCOME AND INVESTMENT RELATED GAINS (LOSSES)

Net investment income is shown below:

FOR THE PERIODS ENDED JUN. 30 US\$ MILLIONS	Three Months Ended		Six Months Ended	
	2025	2024	2025	2024
Available-for-sale fixed maturity securities .....	\$ 695	\$ 552	\$ 1,443	\$ 865
Equity securities .....	18	21	36	32
Mortgage loans .....	204	172	422	255
Private loans .....	124	33	240	64
Investment real estate .....	23	38	24	43
Real estate partnerships .....	3	(6)	42	(12)
Investment funds .....	214	144	343	187
Policy loans .....	6	6	12	12
Short-term investments .....	91	61	187	112
Other invested assets .....	92	97	134	134
<b>Total net investment income .....</b>	<b>\$ 1,470</b>	<b>\$ 1,118</b>	<b>\$ 2,883</b>	<b>\$ 1,692</b>

Net unrealized and realized investment gains (losses) are shown below:

FOR THE PERIODS ENDED JUNE. 30 US\$ MILLIONS	Three Months Ended		Six Months Ended	
	2025	2024	2025	2024
Available-for-sale fixed maturity securities .....	\$ 72	\$ (30)	\$ 93	\$ (18)
Equity securities .....	470	28	288	48
Mortgage loans .....	(13)	(3)	(5)	(11)
Private loans .....	21	1	32	5
Investment real estate .....	7	—	(1)	(17)
Real estate partnerships .....	—	—	5	—
Investment funds .....	(6)	13	(6)	13
Short-term investments and other invested assets .....	(223)	(123)	(181)	(90)
<b>Total investment related gains (losses) .....</b>	<b>\$ 328</b>	<b>\$ (114)</b>	<b>\$ 225</b>	<b>\$ (70)</b>

## NOTE 11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount and fair value of financial instruments are shown below:

AS OF US\$ MILLIONS	June 30, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial assets</b>				
Available-for-sale fixed maturity securities .....	\$ 56,222	\$ 56,222	\$ 53,802	\$ 53,802
Equity securities .....	7,530	7,530	3,854	3,854
Mortgage loans on real estate, net of allowance....	11,469	11,392	12,426	12,240
Private loans, net of allowance .....	6,752	6,767	5,204	5,320
Real estate partnerships <sup>(1)</sup> .....	2,295	2,295	1,487	1,487
Policy loans .....	257	257	276	276
Short-term investments <sup>(2)</sup> .....	4,454	4,454	4,400	4,400
Other invested assets:				
Derivative assets .....	1,160	1,160	1,361	1,361
Separately managed accounts .....	61	61	71	71
Other <sup>(3)(4)</sup> .....	846	846	956	958
Cash and cash equivalents .....	13,091	13,091	12,243	12,243
Reinsurance funds withheld – embedded derivative .....	6	6	18	18
Other assets – market risk benefit assets .....	1,034	1,034	856	856
Separate account assets <sup>(5)</sup> .....	1,322	1,322	1,343	1,343
<b>Total financial assets</b> .....	<b>\$ 106,499</b>	<b>\$ 106,437</b>	<b>\$ 98,297</b>	<b>\$ 98,229</b>
<b>Financial liabilities</b>				
Policyholders' account balances – embedded derivative .....	\$ 6,257	\$ 6,257	\$ 1,123	\$ 1,123
Market risk benefits .....	4,227	4,227	3,655	3,655
Notes payable .....	200	200	189	189
Corporate and subsidiary borrowings .....	4,511	4,566	4,351	4,371
Funds withheld for reinsurance liabilities – embedded derivative .....	63	63	37	37
Other liabilities – derivative liabilities .....	169	169	27	27
Separate account liabilities <sup>(5)</sup> .....	1,322	1,322	1,343	1,343
<b>Total financial liabilities</b> .....	<b>\$ 16,749</b>	<b>\$ 16,804</b>	<b>\$ 10,725</b>	<b>\$ 10,745</b>

(1) Represents financial assets that are fair valued in accordance with ASC 825.

(2) Balance includes \$400 million of amounts loaned under reverse repurchase agreements as of June 30, 2025 (December 31, 2024 – \$400 million). The fair value of the collateral received under these agreements was \$1.0 billion as of June 30, 2025 (December 31, 2024 – \$783 million).

(3) Balance includes \$649 million of other invested assets not subject to the fair value hierarchy as of June 30, 2025 (December 31, 2024 – \$637 million).

(4) Balance excludes \$1.0 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 June 30, 2025 (December 31, 2024 – \$1.3 billion). Refer to “Derivative Exposure” section of Note 9 for details.

(5) Balance include \$30 million of assets, and corresponding liabilities, that are not subject to the fair value hierarchy as of June 30, 2025 (December 31, 2024 – \$31 million).

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:

<b>Level 1</b>	Unadjusted quoted prices in active markets for identical assets or liabilities
<b>Level 2</b>	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
<b>Level 3</b>	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 net asset value (“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:

- 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 JUN. 30, 2025 US\$ MILLIONS	<b>Total Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>				
<b>Available-for-sale fixed maturity securities:</b>				
U.S. treasury and government .....	\$ 365	\$ 302	\$ 63	\$ —
U.S. state and municipal .....	3,182	—	3,127	55
Foreign governments .....	1,889	—	1,889	—
Corporate debt securities .....	39,493	—	38,701	792
Residential mortgage-backed securities .....	1,196	—	1,177	19
Commercial mortgage-backed securities .....	3,877	—	3,839	38
Collateralized debt securities .....	6,220	—	2,867	3,353
<b>Total available-for-sale fixed maturity securities .....</b>	<b>56,222</b>	<b>302</b>	<b>51,663</b>	<b>4,257</b>
<b>Equity securities:</b>				
Common stock .....	7,049	6,641	2	406
Preferred stock .....	481	20	23	438
<b>Total equity securities .....</b>	<b>7,530</b>	<b>6,661</b>	<b>25</b>	<b>844</b>
Investment real estate <sup>(1)</sup> .....	1,271	—	—	1,271
Real estate partnerships <sup>(1)(2)</sup> .....	2,329	—	—	2,329
Investment funds <sup>(1)(3)</sup> .....	141	—	—	141
Short-term investments .....	4,454	2,912	1,060	482
<b>Other invested assets:</b>				
Derivative assets .....	1,160	—	972	188
Separately managed accounts .....	61	—	—	61
Other <sup>(2)</sup> .....	197	—	4	193
Cash and cash equivalents .....	13,091	13,091	—	—
Reinsurance funds withheld – embedded derivative .....	6	—	—	6
Premiums due and other receivables – derivative asset .....	22	—	22	—
Other assets – market risk benefit assets .....	1,034	—	—	1,034
Separate account assets .....	1,292	976	316	—
<b>Total financial assets .....</b>	<b>\$ 88,810</b>	<b>\$ 23,942</b>	<b>\$ 54,062</b>	<b>\$ 10,806</b>
<b>Financial liabilities</b>				
Policyholders' account balances – embedded derivative .....	\$ 6,257	\$ —	\$ —	\$ 6,257
Market risk benefits .....	4,227	—	—	4,227
Funds withheld for reinsurance liabilities – embedded derivative .....	63	—	—	63
Other liabilities – derivative liabilities .....	169	—	169	—
Separate account liabilities .....	1,292	976	316	—
<b>Total financial liabilities .....</b>	<b>\$ 12,008</b>	<b>\$ 976</b>	<b>\$ 485</b>	<b>\$ 10,547</b>

- (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 \$197 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 June 30, 2025, the estimated fair values of investment funds measured at NAV as a practical expedient were \$375 million.

AS OF DEC. 31, 2024  
US\$ MILLIONS

	<b>Total Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>				
<b>Available-for-sale fixed maturity securities:</b>				
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
<b>Total available-for-sale fixed maturity securities .....</b>	<b>53,802</b>	<b>310</b>	<b>48,013</b>	<b>5,479</b>
<b>Equity securities:</b>				
Common stock .....	3,412	2,858	2	552
Preferred stock .....	438	36	12	390
Private equity and other .....	4	—	—	4
<b>Total equity securities .....</b>	<b>3,854</b>	<b>2,894</b>	<b>14</b>	<b>946</b>
Investment real estate <sup>(1)</sup> .....	1,283	—	—	1,283
Real estate partnerships <sup>(1)(2)</sup> .....	1,529	—	—	1,529
Investment funds <sup>(1)(3)</sup> .....	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 <sup>(2)</sup> .....	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	—
<b>Total financial assets .....</b>	<b>\$ 81,194</b>	<b>\$ 18,918</b>	<b>\$ 51,086</b>	<b>\$ 11,190</b>
<b>Financial liabilities</b>				
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	—
<b>Total financial liabilities .....</b>	<b>\$ 6,154</b>	<b>\$ 258</b>	<b>\$ 1,081</b>	<b>\$ 4,815</b>

- (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 Federal Home Loan Banks (“FHLB”) is carried at cost which approximates fair value. The fair value of the company owned life insurance (“COLI”) is equal to the cash surrender value of the policies.

**Corporate and subsidiary borrowings** — Corporate and subsidiary 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.

**Policyholder's account balances & deposit assets excluding embedded derivative** — The fair values of the policyholder's account balances not involving significant mortality or morbidity risks 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 JUN. 30, 2025 US\$ MILLIONS	Carrying Amount	Fair Value	FV Hierarchy Level		
			Level 1	Level 2	Level 3
<b>Financial assets</b>					
Mortgage loans on real estate, net of allowance .....	\$ 11,469	\$ 11,392	\$ —	\$ —	\$ 11,392
Private loans, net of allowance .....	6,752	6,767	—	100	6,667
Policy loans .....	257	257	—	1	256
Deposit assets .....	5,821	5,703	—	—	5,703
Other invested assets, excluding derivatives and separately managed accounts .....	649	649	—	414	235
<b>Total financial assets</b> .....	<b>\$ 24,948</b>	<b>\$ 24,768</b>			
<b>Financial liabilities</b>					
Policyholders' account balances – investment contracts, excluding embedded derivative .....	\$ 78,057	\$ 78,040	—	—	78,040
Corporate and subsidiary borrowings .....	4,511	4,566	—	—	4,566
Notes payable .....	200	200	—	—	200
<b>Total financial liabilities</b> .....	<b>\$ 82,768</b>	<b>\$ 82,806</b>			
AS OF DEC. 31, 2024 US\$ MILLIONS	Carrying Amount	Fair Value	FV Hierarchy Level		
			Level 1	Level 2	Level 3
<b>Financial assets</b>					
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
<b>Total financial assets</b> .....	<b>\$ 24,708</b>	<b>\$ 24,501</b>			
<b>Financial liabilities</b>					
Policyholders' account balances – investment contracts, excluding embedded derivative .....	\$ 79,383	\$ 79,383	—	—	79,383
Corporate and subsidiary borrowings .....	4,351	4,371	—	—	4,371
Notes payable .....	189	189	—	—	189
<b>Total financial liabilities</b> .....	<b>\$ 83,923</b>	<b>\$ 83,943</b>			

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		
	Invested assets <sup>(1)</sup>	Derivative assets	Reinsurance funds withheld – embedded derivative	Policyholders' account balances – embedded derivative	Funds withheld for reinsurance liabilities – embedded derivative	
FOR THE PERIOD ENDED JUN. 30, 2025 US\$ MILLIONS						
<b>Balance as of January 1, 2025</b>	<b>\$ 10,093</b>	<b>\$ 223</b>	<b>\$ 18</b>	<b>\$ (1,123)</b>	<b>\$ (37)</b>	
Fair value changes in net income	(32)	(38)	(10)	268	(18)	
Fair value changes in other comprehensive income	20	—	—	—	—	
Purchases	172	33	—	—	—	
Sales	(45)	—	—	—	—	
Settlements or maturities	(13)	(69)	—	—	—	
Premiums less benefits	—	—	—	(93)	—	
Transfers into Level 3	681	—	—	—	—	
Transfers out of Level 3	(67)	—	—	—	—	
<b>Balance as of March 31, 2025</b>	<b>\$ 10,809</b>	<b>\$ 149</b>	<b>\$ 8</b>	<b>\$ (948)</b>	<b>\$ (55)</b>	
Fair value changes in net income	26	66	(2)	(242)	(8)	
Fair value changes in other comprehensive income	(11)	—	—	—	—	
Purchases	1,214	34	—	—	—	
Sales	(1,537)	—	—	—	—	
Settlements or maturities	(138)	(61)	—	—	—	
Premiums less benefits	—	—	—	(1)	—	
Transfers into Level 3	239	—	—	(5,066)	—	
Transfers out of Level 3	(1,024)	—	—	—	—	
<b>Balance as of June 30, 2025</b>	<b>\$ 9,578</b>	<b>\$ 188</b>	<b>\$ 6</b>	<b>\$ (6,257)</b>	<b>\$ (63)</b>	

	Assets			Liabilities	
	Invested assets <sup>(1)</sup>	Derivative assets	Reinsurance funds withheld – embedded derivative	Policyholders' account balances – embedded derivative	Funds withheld for reinsurance liabilities – embedded derivative
FOR THE PERIOD ENDED JUN. 30, 2024 US\$ MILLIONS					
<b>Balance as of January 1, 2024</b> .....	\$ 4,447	\$ 227	\$ (46)	\$ (872)	\$ —
Fair value changes in net income .....	(5)	57	135	(38)	1
Fair value changes in other comprehensive income .....	8	—	—	—	—
Purchases .....	2,187	35	—	—	—
Sales .....	(2,056)	—	—	—	—
Settlements or maturities .....	(6)	(62)	—	—	—
Premiums less benefits .....	—	—	—	6	—
<b>Balance as of March 31, 2024</b> .....	<u>\$ 4,575</u>	<u>\$ 257</u>	<u>\$ 89</u>	<u>\$ (904)</u>	<u>\$ 1</u>
Acquisition from business combination .....	4,288	—	—	—	—
Derecognition <sup>(2)</sup> .....	—	—	(196)	—	—
Fair value changes in net income .....	162	24	141	(287)	(35)
Fair value changes in other comprehensive income .....	19	—	—	—	—
Purchases .....	1,234	39	—	—	—
Sales .....	(1,260)	—	—	—	—
Settlements or maturities .....	(3)	(66)	—	30	—
Premiums less benefits .....	—	—	—	(35)	—
Transfers into Level 3 .....	64	—	—	—	—
Transfers out of Level 3 .....	(58)	—	—	—	—
<b>Balance as of June 30, 2024</b> .....	<u>\$ 9,021</u>	<u>\$ 254</u>	<u>\$ 34</u>	<u>\$ (1,196)</u>	<u>\$ (34)</u>

(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 period ended June 30, 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.

## NOTE 12. REINSURANCE

The Company reinsures its business through a diversified group of reinsurers. 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. The effect of reinsurance on the applicable line items on our statements of operations are as follows:

FOR THE PERIODS ENDED JUN. 30 US\$ MILLIONS	Three Months Ended		Six Months Ended	
	2025	2024	2025	2024
<b>Premiums earned:</b>				
Gross amounts, including reinsurance assumed	\$ 1,386	\$ 2,089	\$ 2,876	\$ 4,150
Reinsurance ceded .....	(357)	(573)	(725)	(1,103)
Net amount .....	\$ 1,029	\$ 1,516	\$ 2,151	\$ 3,047
<b>Other policy revenue:</b>				
Gross amounts, including reinsurance assumed	\$ 281	\$ 203	\$ 538	\$ 315
Reinsurance ceded .....	(81)	(3)	(159)	(3)
Net amount .....	\$ 200	\$ 200	\$ 379	\$ 312
<b>Policyholder benefits and claims incurred:</b>				
Gross amounts, including reinsurance assumed	\$ (1,468)	\$ (2,013)	\$ (2,877)	\$ (3,742)
Reinsurance ceded .....	389	498	691	813
Net amount .....	\$ (1,079)	\$ (1,515)	\$ (2,186)	\$ (2,929)
<b>Interest sensitive contract benefits:</b>				
Gross amounts, including reinsurance assumed	\$ (556)	\$ (521)	\$ (1,118)	\$ (810)
Reinsurance ceded .....	59	99	97	203
Net amount .....	\$ (497)	\$ (422)	\$ (1,021)	\$ (607)
<b>Change in fair value of market risk benefits:</b>				
Gross amounts, including reinsurance assumed	\$ 25	\$ (161)	\$ (367)	\$ (192)
Reinsurance ceded .....	21	(7)	52	(7)
Net amount .....	\$ 46	\$ (168)	\$ (315)	\$ (199)

Following the effective settlement of a reinsurance arrangement between NER SPC and AEL in the second quarter of 2024 (see Note 16 for details), our reinsurance assumed exposure is principally limited to the amounts of reinsurance funds withheld asset and associated deposit liability based on deposit accounting as presented in the statements of financial position, as well as certain future policy benefits liability.

Furthermore, certain of our subsidiaries have intercompany reinsurance agreements with its wholly owned reinsurance companies, some of which are captive reinsurance companies. All intercompany balances arising from such intercompany reinsurance agreements are eliminated in full on consolidation.

### 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 SIX MONTHS ENDED JUN. 30		2025		2024	
US\$ MILLIONS					
Balance, beginning of period	\$	1,343	\$	1,189	
Additions (deductions):					
Policyholder deposits		33		35	
Net investment income		32		10	
Net realized capital gains on investments		35		112	
Policyholder benefits and withdrawals		(53)		(75)	
Net transfer from (to) general account		(60)		2	
Policy charges		(8)		(7)	
Total changes		(21)		77	
<b>Balance, end of period</b>	<b>\$</b>	<b>1,322</b>	<b>\$</b>	<b>1,266</b>	
<b>Cash surrender value</b>	<b>\$</b>	<b>747</b>	<b>\$</b>	<b>704</b>	

### 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 SIX MONTHS ENDED JUN. 30, 2025		Annuities		P&C		Life Insurance		Total	
US\$ MILLIONS									
<b>DAC:</b>									
Balance, beginning of period	\$	886	\$	184	\$	306	\$	1,376	
Additions		511		228		45		784	
Amortization		(47)		(229)		(16)		(292)	
Net change		464		(1)		29		492	
<b>Balance, end of period</b>	<b>\$</b>	<b>1,350</b>	<b>\$</b>	<b>183</b>	<b>\$</b>	<b>335</b>	<b>\$</b>	<b>1,868</b>	
<b>DSI:</b>									
Balance, beginning of period	\$	393	\$	—	\$	—	\$	393	
Additions		348		—		—		348	
Amortization		(19)		—		—		(19)	
Net change		329		—		—		329	
<b>Balance, end of period</b>	<b>\$</b>	<b>722</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>—</b>	<b>\$</b>	<b>722</b>	
<b>VOBA asset:</b>									
Balance, beginning of period	\$	8,838	\$	27	\$	62	\$	8,927	
Amortization		(381)		(8)		(2)		(391)	
Net change		(381)		(8)		(2)		(391)	
<b>Balance, end of period</b>	<b>\$</b>	<b>8,457</b>	<b>\$</b>	<b>19</b>	<b>\$</b>	<b>60</b>	<b>\$</b>	<b>8,536</b>	
<b>Total DAC, DSI and VOBA asset</b>	<b>\$</b>	<b>10,529</b>	<b>\$</b>	<b>202</b>	<b>\$</b>	<b>395</b>	<b>\$</b>	<b>11,126</b>	

AS OF AND FOR THE SIX MONTHS ENDED JUN. 30, 2024  
 US\$ MILLIONS

	Annuities	P&C	Life Insurance	Total
<b>DAC:</b>				
Balance, beginning of period .....	\$ 1,314	\$ 171	\$ 217	\$ 1,702
Additions .....	257	261	57	575
Derecognition <sup>(1)</sup> .....	(1,129)	—	—	(1,129)
Amortization .....	(36)	(235)	(10)	(281)
Net change .....	(908)	26	47	(835)
<b>Balance, end of period .....</b>	<b>\$ 406</b>	<b>\$ 197</b>	<b>\$ 264</b>	<b>\$ 867</b>
<b>DSI:</b>				
Balance, beginning of period .....	\$ 257	\$ —	\$ —	\$ 257
Additions .....	96	—	—	96
Derecognition <sup>(1)</sup> .....	(246)	—	—	(246)
Amortization .....	(5)	—	—	(5)
Net change .....	(155)	—	—	(155)
<b>Balance, end of period .....</b>	<b>\$ 102</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 102</b>
<b>VOBA asset:</b>				
Balance, beginning of period .....	\$ 40	\$ 168	\$ 301	\$ 509
Acquisition of business combination <sup>(2)</sup> .....	9,276	—	—	9,276
Amortization .....	(134)	(70)	(11)	(215)
Net change .....	9,142	(70)	(11)	9,061
<b>Balance, end of period .....</b>	<b>\$ 9,182</b>	<b>\$ 98</b>	<b>\$ 290</b>	<b>\$ 9,570</b>
<b>Total DAC, DSI and VOBA asset .....</b>	<b>\$ 9,690</b>	<b>\$ 295</b>	<b>\$ 554</b>	<b>\$ 10,539</b>

(1) See Note 16 for the details of effective settlement of a reinsurance arrangement, resulting in the derecognition of DAC and DSI.

(2) The difference between the amount shown in the table and the value of business acquired in Note 16 represents \$45 million of measurement period adjustments recorded in the third quarter of 2024. See Note 16 for the details.

The following table provides the projected VOBA asset amortization expenses for a five-year period and thereafter as of June 30, 2025:

Years	US\$ MILLIONS
2025 <sup>(1)</sup> .....	\$ 376
2026 .....	705
2027 .....	645
2028 .....	598
2029 .....	552
Thereafter .....	5,660
<b>Total amortization expense .....</b>	<b>\$ 8,536</b>

(1) Expected amortization for the remainder of 2025.

## NOTE 15. 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 US\$ MILLIONS	June 30, 2025			December 31, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<b>Definite-lived intangible assets:</b>						
Distributor relationships .....	\$ 1,466	\$ (71)	\$ 1,395	\$ 1,466	\$ (43)	\$ 1,423
Trade name .....	71	(13)	58	71	(9)	62
Unpaid claims reserve intangible asset	103	(50)	53	103	(37)	66
Software and other .....	148	(39)	109	85	(17)	68
<b>Total definite-lived intangible assets ...</b>	<b>1,788</b>	<b>(173)</b>	<b>1,615</b>	<b>1,725</b>	<b>(106)</b>	<b>1,619</b>
<b>Indefinite-lived intangible assets:</b>						
Insurance licenses .....	67	—	67	71	—	71
<b>Total .....</b>	<b>\$ 1,855</b>	<b>\$ (173)</b>	<b>\$ 1,682</b>	<b>\$ 1,796</b>	<b>\$ (106)</b>	<b>\$ 1,690</b>

No impairment expenses of intangible assets were recognized for the three and six months ended June 30, 2025 and 2024. The Company estimates that its intangible assets do not have any significant residual value in determining their amortization. Amortization expenses were \$30 million and \$67 million for the three and six months ended June 30, 2025 and \$23 million and \$35 million for the three and six months ended June 30, 2024, respectively.

The following table outlines the estimated future amortization expense related to definite-lived intangible assets held as of June 30, 2025.

Years	US\$ MILLIONS
2025 <sup>(1)</sup> .....	\$ 61
2026 .....	119
2027 .....	100
2028 .....	90
2029 .....	80
Thereafter .....	1,165
<b>Total amortization expense .....</b>	<b>\$ 1,615</b>

(1) Expected amortization for the remainder of 2025.

## NOTE 16. ACQUISITION

### *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.

Had the acquisition occurred on January 1, 2023, the consolidated unaudited pro forma revenue and net income would be: (i) \$3.1 billion and \$610 million, respectively, for the three months ended June 30, 2024; and (ii) \$7.0 billion and \$1.8 billion, respectively, for the six months ended June 30, 2024. 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
<b>Total</b> .....	<b>\$ 3,992</b>
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
<b>Total assets acquired</b> .....	<b>75,166</b>
Liabilities assumed:	
Future policy benefits .....	311
Policyholders' account balances .....	61,473
Market risk benefits .....	3,023
Notes payable .....	768
Subsidiary borrowings .....	84
Funds withheld for reinsurance liabilities .....	3,371
Other liabilities .....	2,093
<b>Total liabilities assumed</b> .....	<b>71,123</b>
Less: Non-controlling interest .....	713
<b>Net assets acquired</b> .....	<b>3,330</b>
<b>Goodwill</b> .....	<b>\$ 662</b>

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 in the second quarter of 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.

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 in the second quarter of 2024.

Acquisition-related costs of \$127 million incurred were recorded as "Operating expenses" in the statements of operations when incurred in the second quarter of 2024.

**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 US\$ MILLIONS	<b>June 30, 2025</b>	December 31, 2024
<b>Future policy benefits:</b>		
Annuities .....	<b>\$ 11,287</b>	\$ 10,287
Life Insurance .....	<b>1,895</b>	1,816
<b>Deferred profit liability:</b>		
Annuities .....	<b>252</b>	242
Life Insurance .....	<b>86</b>	76
<b>Other contracts and VOBA liability .....</b>	<b>1,684</b>	1,667
<b>Total future policy benefits .....</b>	<b><u>\$ 15,204</u></b>	<u>\$ 14,088</u>

The balances and changes in the liability for future policy benefits are as follows:

AS OF AND FOR THE SIX MONTHS ENDED JUN. 30, 2025 US\$ MILLIONS	Annuities	Life Insurance	Total
<b>Present value of expected net premiums:</b>			
Balance, beginning of period	\$ —	\$ 2,353	\$ 2,353
Beginning balance at original discount rate	—	2,507	2,507
Effect of changes in cash flow assumptions	—	65	65
Effect of actual variances from expected experience	(1)	(55)	(56)
Adjusted beginning of period balance	(1)	2,517	2,516
Issuances	742	5	747
Interest accrual	5	48	53
Net premiums collected	(749)	(148)	(897)
Derecognitions (lapses and withdrawals)	3	—	3
Ending balance at original discount rate	—	2,422	2,422
Effect of changes in discount rate assumptions	—	(114)	(114)
<b>Balance, end of period</b>	<b>\$ —</b>	<b>\$ 2,308</b>	<b>\$ 2,308</b>
<b>Present value of expected future policy benefits:</b>			
Balance, beginning of period	\$ 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 <sup>(1)</sup>	15	77	92
Effect of actual variances from expected experience	(43)	(56)	(99)
Adjusted beginning of period balance	10,490	4,622	15,112
Issuances	745	5	750
Interest accrual	238	89	327
Benefit payments	(436)	(153)	(589)
Derecognitions (lapses and withdrawals)	28	—	28
Foreign currency translation	384	—	384
Ending balance at original discount rate	11,449	4,563	16,012
Effect of changes in discount rate assumptions	(162)	(360)	(522)
<b>Balance, end of period</b>	<b>\$ 11,287</b>	<b>\$ 4,203</b>	<b>\$ 15,490</b>
<b>Net liability for future policy benefits</b>	<b>11,287</b>	<b>1,895</b>	<b>13,182</b>
Less: Reinsurance recoverables	(12)	(1,311)	(1,323)
<b>Net liability for future policy benefits, after reinsurance recoverable</b>	<b>\$ 11,275</b>	<b>\$ 584</b>	<b>\$ 11,859</b>
<b>Weighted average liability duration of future policy benefits (years)</b>	<b>7</b>	<b>14</b>	
<b>Weighted average interest accretion rate</b>	<b>5 %</b>	<b>5 %</b>	
<b>Weighted average current discount rate</b>	<b>5 %</b>	<b>6 %</b>	

(1) For the three months and six months ended June 30, 2025, the Company recognized liability remeasurement losses of \$11 million and \$31 million, respectively, 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 SIX MONTHS ENDED JUN. 30, 2024  
 US\$ MILLIONS

	Annuities	Life Insurance	Total
<b>Present value of expected net premiums:</b>			
Balance, beginning of period	\$ —	\$ 3,145	\$ 3,145
Beginning balance at original discount rate	—	3,253	3,253
Effect of changes in cash flow assumptions	—	(62)	(62)
Effect of actual variances from expected experience	6	(34)	(28)
Adjusted beginning of period balance	6	3,157	3,163
Issuances	1,280	32	1,312
Interest accrual	9	62	71
Net premiums collected	(1,295)	(162)	(1,457)
Derecognitions (lapses and withdrawals)	—	1	1
Ending balance at original discount rate	—	3,090	3,090
Effect of changes in discount rate assumptions	—	(235)	(235)
<b>Balance, end of period</b>	<b>\$ —</b>	<b>\$ 2,855</b>	<b>\$ 2,855</b>
<b>Present value of expected future policy benefits:</b>			
Balance, beginning of period	\$ 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 <sup>(1)</sup>	12	74	86
Effect of actual variances from expected experience	19	(33)	(14)
Adjusted beginning of period balance	5,940	5,318	11,258
Acquisition from business combination	311	—	311
Issuances	1,287	32	1,319
Interest accrual	144	101	245
Benefit payments	(312)	(228)	(540)
Derecognitions (lapses and withdrawals)	1	1	2
Foreign currency translation	(114)	—	(114)
Ending balance at original discount rate	7,257	5,224	12,481
Effect of changes in discount rate assumptions	(353)	(505)	(858)
<b>Balance, end of period</b>	<b>\$ 6,904</b>	<b>\$ 4,719</b>	<b>\$ 11,623</b>
<b>Net liability for future policy benefits</b>	<b>6,904</b>	<b>1,864</b>	<b>8,768</b>
Less: Reinsurance recoverables	(35)	(46)	(81)
<b>Net liability for future policy benefits, after reinsurance recoverable</b>	<b>\$ 6,869</b>	<b>\$ 1,818</b>	<b>\$ 8,687</b>
<b>Weighted average liability duration of future policy benefits (years)</b>	<b>8</b>	<b>16</b>	
<b>Weighted average interest accretion rate</b>	<b>5 %</b>	<b>5 %</b>	
<b>Weighted average current discount rate</b>	<b>5 %</b>	<b>6 %</b>	

(1) For the three months and six months ended June 30, 2024, the Company recognized liability remeasurement losses of \$48 million and \$60 million, respectively, 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 amounts of undiscounted and discounted expected gross premiums and future benefit payments follow:

AS OF JUN. 30 US\$ MILLIONS	2025		2024	
	Undiscounted	Discounted	Undiscounted	Discounted
<b>Annuities:</b>				
Expected future benefit payments .....	\$ 18,614	\$ 11,262	\$ 11,414	\$ 6,877
Expected future gross premiums .....	—	—	—	—
<b>Life Insurance:</b>				
Expected future benefit payments .....	\$ 8,675	\$ 4,203	\$ 10,375	\$ 4,799
Expected future gross premiums .....	5,482	3,259	14,649	8,507
<b>Total:</b>				
Expected future benefit payments .....	\$ 27,289	\$ 15,465	\$ 21,789	\$ 11,676
Expected future gross premiums .....	5,482	3,259	14,649	8,507

The amount of revenue and interest recognized in the statements of operations follows:

FOR THE PERIODS ENDED JUN. 30 US\$ MILLIONS	Three Months Ended				Six Months Ended			
	Gross Premiums or Assessments		Interest Expense		Gross Premiums or Assessments		Interest Expense	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Annuities</b> .....	\$ 338	\$ 1,313	\$ 105	\$ 137	\$ 761	\$ 2,005	\$ 221	\$ 203
<b>Life Insurance</b> .....	101	222	21	39	206	335	41	59

#### NOTE 18. POLICYHOLDERS' ACCOUNT BALANCES

Policyholders' account balances relate to investment-type contracts and universal life-type policies. 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 US\$ MILLIONS	June 30, 2025	December 31, 2024
<b>Policyholders' account balances:</b>		
Annuities .....	\$ 83,667	\$ 80,046
Life Insurance .....	2,158	2,107
Embedded derivative adjustments and other <sup>(1)</sup> .....	1,108	926
<b>Total policyholders' account balances</b> .....	<b>\$ 86,933</b>	<b>\$ 83,079</b>

(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 SIX MONTHS ENDED JUN. 30, 2025		Life		
US\$ MILLIONS		Annuities	Insurance	Total
<b>Balance, beginning of period</b>	\$	80,046	\$ 2,107	\$ 82,153
Issuances		7,962	26	7,988
Premiums received		62	218	280
Policy charges		(287)	(189)	(476)
Surrenders and withdrawals		(5,037)	(55)	(5,092)
Interest credited		1,453	51	1,504
Benefit payments		(538)	—	(538)
Other		6	—	6
<b>Balance, end of period</b>	<b>\$</b>	<b>83,667</b>	<b>\$ 2,158</b>	<b>\$ 85,825</b>
<b>Weighted average crediting rate</b>		<b>3 %</b>	<b>5 %</b>	
<b>Net amount at risk<sup>(1)</sup></b>	<b>\$</b>	<b>12,907</b>	<b>\$ 38,673</b>	
<b>Cash surrender value</b>	<b>\$</b>	<b>76,292</b>	<b>\$ 1,919</b>	

AS OF AND FOR THE SIX MONTHS ENDED JUN. 30, 2024		Life		
US\$ MILLIONS		Annuities	Insurance	Total
<b>Balance, beginning of period</b>	\$	22,456	\$ 1,975	\$ 24,431
Acquisition from business combination <sup>(2)</sup>		61,296	—	61,296
Issuances		4,064	36	4,100
Derecognition		(7,402)	—	(7,402)
Premiums received		69	213	282
Policy charges		(143)	(187)	(330)
Surrenders and withdrawals		(3,323)	(43)	(3,366)
Interest credited		808	48	856
Benefit payments		(177)	—	(177)
Other		(195)	—	(195)
<b>Balance, end of period</b>	<b>\$</b>	<b>77,453</b>	<b>\$ 2,042</b>	<b>\$ 79,495</b>
<b>Weighted average crediting rate</b>		<b>3 %</b>	<b>5 %</b>	
<b>Net amount at risk<sup>(1)</sup></b>	<b>\$</b>	<b>12,466</b>	<b>\$ 38,365</b>	
<b>Cash surrender value</b>	<b>\$</b>	<b>71,450</b>	<b>\$ 1,796</b>	

(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.

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 JUN. 30, 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 <sup>(1)</sup>	Total
<b>Annuities</b> .....	0% - 1%	\$ 3,715	\$ 2,668	\$ 4,170	\$ 4,868	\$ —	\$ 15,421
	1% - 2%	1,569	307	1,008	1,596	—	4,480
	2% - 3%	1,931	373	217	11,323	—	13,844
	Greater than 3%	270	5	6	11	—	292
	Other <sup>(1)</sup>	—	—	—	—	49,630	49,630
	<b>Total</b>	<b>\$ 7,485</b>	<b>\$ 3,353</b>	<b>\$ 5,401</b>	<b>\$ 17,798</b>	<b>\$ 49,630</b>	<b>\$ 83,667</b>
<b>Life Insurance</b> .....	1% - 2%	\$ 38	\$ 2	\$ 66	\$ 791	\$ —	\$ 897
	2% - 3%	423	—	221	—	—	644
	Greater than 3%	617	—	—	—	—	617
	<b>Total</b>	<b>\$ 1,078</b>	<b>\$ 2</b>	<b>\$ 287</b>	<b>\$ 791</b>	<b>\$ —</b>	<b>\$ 2,158</b>
AS OF JUN. 30, 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 <sup>(1)</sup>	Total
<b>Annuities</b> .....	0% - 1%	\$ 4,296	\$ 2,669	\$ 3,931	\$ 4,679	\$ —	\$ 15,575
	1% - 2%	1,446	393	1,740	1,844	—	5,423
	2% - 3%	1,942	429	111	6,637	—	9,119
	Greater than 3%	306	7	1	5	—	319
	Other <sup>(1)</sup>	—	—	—	—	47,017	47,017
	<b>Total</b>	<b>\$ 7,990</b>	<b>\$ 3,498</b>	<b>\$ 5,783</b>	<b>\$ 13,165</b>	<b>\$ 47,017</b>	<b>\$ 77,453</b>
<b>Life Insurance</b> .....	1% - 2%	\$ 34	\$ 2	\$ 54	\$ 667	\$ —	\$ 757
	2% - 3%	421	—	222	—	—	643
	Greater than 3%	642	—	—	—	—	642
	<b>Total</b>	<b>\$ 1,097</b>	<b>\$ 2</b>	<b>\$ 276</b>	<b>\$ 667</b>	<b>\$ —</b>	<b>\$ 2,042</b>

(1) Other includes products with either a fixed rate or no guaranteed minimum crediting rate or allocated to index strategies.

## 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 SIX MONTHS ENDED JUN. 30  
US\$ MILLIONS

	2025	2024
<b>Balance, beginning of period</b> .....	\$ 2,799	\$ 55
<b>Balance, beginning of period, before effect of changes in the instrument-specific credit risk</b> .....	2,549	39
Acquisition from business combination <sup>(1)</sup> .....	—	2,376
Derecognition <sup>(2)</sup> .....	—	(129)
Issuance .....	(6)	3
Interest accrual .....	70	24
Attributed fees collected .....	121	52
Benefits payments .....	—	—
Effect of changes in interest rates .....	51	138
Effect of changes in equity markets .....	98	(24)
Effect of changes in equity index volatility .....	(43)	(24)
Effect of changes in future expected policyholder behavior .....	68	(8)
Effect of changes in other future expected assumptions .....	7	67
<b>Balance, end of period, before the effect of changes in the instrument-specific credit risk</b> .....	2,915	2,514
Effect of changes in the ending instrument-specific credit risk .....	278	58
<b>Balance, end of period</b> .....	3,193	2,572
Less: Reinsured MRB, end of period .....	(576)	(618)
<b>Balance, end of period, net of reinsurance</b> .....	<u>\$ 2,617</u>	<u>\$ 1,954</u>
<b>Net amount at risk</b> <sup>(3)</sup> .....	\$ 12,460	\$ 12,051
<b>Weighted-average attained age of contract holders (years)</b> .....	71	71

(1) The difference between the amount shown in the table above and the market risk benefits liability balance included in Note 16 represents \$45 million of measurement period adjustments that was recorded in the third quarter of 2024. See Note 16 for the details.

(2) See Note 16 for the details of 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 US\$ MILLIONS	June 30, 2025			December 31, 2024		
	Asset	Liability	Net	Asset	Liability	Net
<b>Market risk benefits</b> .....	<u>\$ 1,034</u>	<u>\$ (4,227)</u>	<u>\$ (3,193)</u>	<u>\$ 856</u>	<u>\$ (3,655)</u>	<u>\$ (2,799)</u>

## 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 SIX MONTHS ENDED JUN. 30		
US\$ MILLIONS		
	2025	2024
<b>Policy and contract claims, beginning</b> .....	<b>\$ 7,659</b>	<b>\$ 7,288</b>
Less: Unpaid claims balance, beginning – long-duration .....	<b>219</b>	198
<b>Gross unpaid claims balance, beginning – short-duration</b> .....	<b>7,440</b>	7,090
Less: Reinsurance recoverables, beginning .....	<b>3,083</b>	3,045
Less: Foreign currency translation .....	<b>1</b>	4
<b>Net balance, beginning – short-duration</b> .....	<b>4,356</b>	4,041
Add: incurred related to		
Current accident year .....	<b>896</b>	1,177
Prior accident years .....	<b>20</b>	34
<b>Total incurred claims</b> .....	<b>916</b>	1,211
Less: paid claims related to		
Current accident year .....	<b>296</b>	306
Prior accident years .....	<b>655</b>	776
<b>Total paid claims</b> .....	<b>951</b>	1,082
<b>Net unpaid claims balance, ending – short-duration</b> .....	<b>4,321</b>	4,170
Add: Foreign currency translation .....	<b>1</b>	2
Add: Reinsurance recoverables, ending .....	<b>2,945</b>	3,026
<b>Gross unpaid claims balance, ending – short-duration</b> .....	<b>7,267</b>	7,198
Add: Unpaid claims balance, ending – long-duration .....	<b>253</b>	199
<b>Policy and contract claims, ending</b> .....	<b>\$ 7,520</b>	<b>\$ 7,397</b>

The estimates for ultimate incurred claims attributable to insured events of prior years increased by \$20 million and increased by \$34 million, respectively, for the six months ended June 30, 2025 and 2024. The unfavorable development during the period in 2025 was primarily related to higher-than-anticipated losses within certain casualty lines, which were partially offset by favorable development in our specialty lines. The unfavorable development during the period in 2024 was primarily related to higher-than-anticipated losses within certain run-off lines.

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 June 30, 2025 and December 31, 2024 were \$8 million and \$7 million, respectively.

## NOTE 21. CORPORATE AND SUBSIDIARY BORROWINGS

### *Corporate Borrowings*

The Company has 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 June 30, 2025, the total available amount on the credit facilities was \$1.3 billion (December 31, 2024 – \$1.2 billion). These credit facilities mature in June 2030. As of June 30, 2025, \$348 million was drawn on the bilateral credit facilities (December 31, 2024 – \$17 million).

The Company has a \$1.0 billion 364-day revolving credit facility, 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. As of June 30, 2025, the facility had \$836 million of borrowings outstanding, maturing in October 2025 (December 31, 2024 – \$755 million). The Company pledged investments totaling \$851 million as collateral as of June 30, 2025, consisting of \$461 million of investment funds and \$390 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.

The weighted average interest rates on outstanding corporate borrowings that mature within one year are 6.16% and 6.22% as of June 30, 2025 and December 31, 2024, respectively.

### *Subsidiary Borrowings*

Subsidiary borrowings of \$3.3 billion relate to debt issued at ANGI and Argo. \$1.1 billion matures in 2027, \$600 million matures in 2029, and the remaining \$1.7 billion matures between 2032 and 2047. Subsidiary borrowings consist of the following:

- \$500 million aggregate principal amount of senior unsecured notes due June 2027 (issued in June 2017), which bear interest at a fixed rate of 5.0%, payable semi-annually;
- \$600 million aggregate principal amount of senior unsecured notes due October 2029 (issued in October 2024), which bear interest at a fixed rate of 5.75%, payable semi-annually;
- \$500 million aggregate principal amount of senior unsecured notes due June 2032 (issued in June 2022), which bear interest at a fixed rate of 6.14%, payable semi-annually;
- \$700 million aggregate principal amount of senior unsecured notes due July 2035 (issued in June 2025), which bear interest at a fixed rate of 6.0% payable semi-annually;
- \$144 million aggregate principal amount of senior unsecured notes due September 2042 (issued in September 2012), which bear interest at a fixed rate of 6.5%, payable quarterly;
- \$600 million principal amount of a term loan maturing in May 2027 (entered into in May 2024), which bear interest tied to SOFR plus a spread, payable quarterly;
- \$265 million aggregate principal amount of series of junior subordinated debentures due between May 2033 and September 2037 (issued to its wholly-owned subsidiary trusts that are not consolidated), which bear interest tied to SOFR plus a spread, payable quarterly; and
- \$100 million aggregate principal amount of subordinated debentures due June 2047 (issued to its wholly-owned subsidiary trust that is not consolidated), which bear interest at a fixed rate of 5.0%, payable quarterly.

The above noted facilities require the Company and its subsidiaries to maintain minimum net worth covenants. As of June 30, 2025 and December 31, 2024, the Company was in compliance with its financial covenants.

The following is the maturity by year on corporate and subsidiary borrowings:

		Payments due by year							
AS OF JUN. 30, 2025		Unamortized	Less than	1 - 2	2 - 3	3 - 4	4 - 5	More	
US\$ MILLIONS	Total	discount and	1 year	years	years	years	years	than 5	
		issuance costs						years	
Corporate borrowings .....	\$ 1,184	—	836	—	—	—	348	—	
Subsidiary borrowings .....	\$ 3,327	(81)	—	1,100	—	—	600	1,708	

		Payments due by year							
AS OF DEC. 31, 2024		Unamortized	Less than	1 - 2	2 - 3	3 - 4	4 - 5	More	
US\$ MILLIONS	Total	discount and	1 year	years	years	years	years	than 5	
		issuance costs						years	
Corporate borrowings .....	\$ 1,022	—	1,005	—	—	—	17	—	
Subsidiary borrowings .....	\$ 3,329	(79)	—	—	1,800	—	600	1,008	

### ***Brookfield Credit Agreement***

The Company also has a credit facility with Brookfield maturing in June 2026 that, as of June 30, 2025, permitted borrowings of up to \$400 million under the Brookfield Credit Agreement. As of June 30, 2025 and December 31, 2024, there were no amounts drawn on the facility.

## NOTE 22. INCOME TAXES

For the three and six months ended June 30, 2025, the effective tax rates on pre-tax income were 15.0% and 1.3%, respectively. The Company's effective tax rate differed from the statutory tax rate of 21.1% for the same respective periods primarily due to international operations subject to different tax rates.

For the three and six months ended June 30, 2024, the effective tax rates on pre-tax income were 1251.0% and recoveries of 86.0% respectively. The Company's effective tax rate differed from the statutory tax rate of 23.0% and 20.0%, respectively, primarily due to international operations subject to different tax rates and changes in tax rates and imposition of new tax legislation. As discussed within "Pillar Two and Bermuda Corporate Income Tax Regime" section below, the Company recorded material deferred tax assets related to the passage of the Bermuda Corporate Income Tax Act for the three months ended June 30, 2024. As a result, compared to its consolidated statutory tax rate, the Company recognized a material increase to its consolidated effective tax rate for the three months ended June 30, 2024 and a material decrease to its consolidated effective tax rate for the six months ended June 30, 2024.

### Pillar Two and Bermuda Corporate Income Tax Regime

In December 2023, the Government of Bermuda enacted a corporate income tax ("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. The Company has deferred tax assets totaling \$357 million as of June 30, 2025 relating to this regime (December 31, 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. There was no material top-up tax allocated to the U.K. as a result of the UTPR for the three and six months ended June 30, 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 beginning on or after December 31, 2023. As of June 30, 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 beginning on or after December 31, 2023), a UTPR tax (for fiscal years beginning on or after December 31, 2024) and a QDMTT (for fiscal years beginning on or after December 31, 2023).

The U.S. and Cayman Islands have not yet passed legislation with respect to Pillar Two.

The Company continues to evaluate the impact of the global minimum tax requirements by monitoring the legislative changes and future developments in relation to Pillar Two across jurisdictions in which the Company operates and assessing their impact on our operations and financial statements. Based on our evaluation of the enacted Pillar Two legislation in Canada, Luxembourg and the U.K., we determined that there was no material impact on the effective tax rate for the three and six months ended June 30, 2025.

### Other Tax Matters

On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was enacted in the U.S. The OBBBA includes provisions that allow for the immediate expensing of domestic research and development expenses, immediate expensing of certain capital expenditures and other changes to the U.S. taxation profits derived from foreign operations. We continue to evaluate the impact the new legislation will have on our estimated annual effective tax rate and cash tax position.

## NOTE 23. SHARE CAPITAL

As of June 30, 2025 and December 31, 2024, the share capital of the Company comprises the following:

AS OF US\$ MILLIONS, EXCEPT FOR PAR VALUE AND SHARE AMOUNTS	June 30, 2025				December 31, 2024			
	Par Value	Authorized to Issue	Outstanding <sup>(1)</sup>	Carrying Amount	Par Value	Authorized to Issue	Outstanding <sup>(1)</sup>	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 .....	32.92	1,000,000,000	41,413,496	1,434	33.10	1,000,000,000	41,436,516	1,441
Class A-1 Exchangeable Shares .....	32.92	500,000,000	—	—	33.10	500,000,000	—	—
Class B Shares .....	32.92	500,000	24,000	1	33.10	500,000	24,000	1
Class C Shares .....	1.00	1,000,000,000	242,786,723	10,736	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 43,491,520 as of June 30, 2025, including 2,078,024 shares held in treasury. The number of issued Class A exchangeable shares as of December 31, 2024 was 43,460,516, including 2,000,000 shares held in treasury.

For the six months ended June 30, 2025, the following events impacted the Company's share capital position:

- On February 24, 2025, we repurchased 64,656 Class A exchangeable shares, which were held in treasury as of June 30, 2025.
- 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. The promissory note is reported as "Due to related parties" in the statement of financial position.

For the six months ended June 30, 2024, in addition to the conversion of Class A-1 exchangeable shares by certain of its shareholders to Class A exchangeable shares, the following event impacted the Company's share capital position:

- On May 3, 2024, we issued 26,586,622 Class C shares to Brookfield in exchange for BAM shares purchased from Brookfield which were used as consideration for the acquisition of AEL.

The movement of shares outstanding is as follows:

AS OF AND FOR THE PERIODS ENDED JUN. 30 SHARE AMOUNTS	2025			2024				
	Class A Exchangeable Shares	Class B Shares	Class C Shares	Class A Redeemable Junior Preferred Shares	Class A Exchangeable Shares	Class A-1 Exchangeable Shares	Class B Shares	Class C Shares
<b>Outstanding as of January 1</b> .....	<b>41,436,516</b>	<b>24,000</b>	<b>201,116,647</b>	100,460,280	15,311,749	28,073,777	24,000	102,056,784
Acquisition of treasury shares, net .....	(64,656)	—	—	—	—	—	—	—
Conversions .....	—	—	—	—	1,523,169	(1,523,169)	—	—
<b>Outstanding as of March 31</b> .....	<b>41,371,860</b>	<b>24,000</b>	<b>201,116,647</b>	100,460,280	16,834,918	26,550,608	24,000	102,056,784
Issuances .....	41,636	—	41,670,076	—	—	—	—	26,586,622
Conversions .....	—	—	—	—	44,837	(44,837)	—	—
<b>Outstanding as of June 30</b> .....	<b>41,413,496</b>	<b>24,000</b>	<b>242,786,723</b>	100,460,280	16,879,755	26,505,771	24,000	128,643,406

**NOTE 24. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

The components of and changes in the accumulated other comprehensive income (“AOCI”), and the related tax effects, are shown below:

AS OF AND FOR THE PERIODS ENDED JUN. 30, 2025 US\$ MILLIONS	Change in Net Unrealized Investment Gains (Losses)	Change in Discount Rate for Future Policy Benefits	Change in Instrument- Specific Credit Risk for Market Risk Benefits	Defined Benefit Pension Plan Adjustment	Foreign Currency Translation	Total
<b>Balance as of January 1, 2025</b> .....	\$ (12)	\$ 362	\$ (189)	\$ 104	\$ (61)	\$ 204
Other comprehensive income (loss) before reclassifications .....	410	(83)	68	(4)	46	437
Amounts reclassified to (from) net income .....	(6)	—	—	—	—	(6)
Deferred income tax benefit (expense) .....	(86)	25	(19)	1	(8)	(87)
<b>Balance as of March 31, 2025</b> .....	<b>\$ 306</b>	<b>\$ 304</b>	<b>\$ (140)</b>	<b>\$ 101</b>	<b>\$ (23)</b>	<b>\$ 548</b>
Other comprehensive income (loss) before reclassifications .....	109	6	(99)	(3)	152	165
Amounts reclassified to (from) net income .....	(37)	—	—	—	—	(37)
Deferred income tax benefit (expense) .....	6	(14)	25	1	(21)	(3)
<b>Balance as of June 30, 2025</b> .....	<b>\$ 384</b>	<b>\$ 296</b>	<b>\$ (214)</b>	<b>\$ 99</b>	<b>\$ 108</b>	<b>\$ 673</b>

AS OF AND FOR THE PERIODS ENDED JUN. 30, 2024  
 US\$ MILLIONS

	Change in Net Unrealized Investment Gains (Losses)	Change in Discount Rate for Future Policy Benefits	Change in Instrument- Specific Credit Risk for Market Risk Benefit	Defined Benefit Pension Plan Adjustment	Foreign Currency Translation	Total
<b>Balance as of January 1, 2024</b> .....	\$ (438)	\$ 239	\$ (15)	\$ 85	\$ 9	\$ (120)
Other comprehensive income (loss) before reclassifications .....	(133)	206	(40)	4	(14)	23
Amounts reclassified to (from) net income .....	(6)	—	—	—	—	(6)
Deferred income tax benefit (expense) .....	33	(47)	2	(1)	—	(13)
<b>Balance as of March 31, 2024</b> .....	<u>\$ (544)</u>	<u>\$ 398</u>	<u>\$ (53)</u>	<u>\$ 88</u>	<u>\$ (5)</u>	<u>\$ (116)</u>
Other comprehensive income (loss) before reclassifications .....	449	114	(3)	20	(11)	569
Amounts reclassified to (from) net income .....	(8)	—	67	—	—	59
Deferred income tax benefit (expense) .....	(96)	(24)	(4)	(4)	(2)	(130)
<b>Balance as of June 30, 2024</b> .....	<u>\$ (199)</u>	<u>\$ 488</u>	<u>\$ 7</u>	<u>\$ 104</u>	<u>\$ (18)</u>	<u>\$ 382</u>

## NOTE 25. EARNINGS PER SHARE

The components of basic earnings per share are summarized in the following table:

FOR THE PERIODS ENDED JUN. 30 US\$ MILLIONS, EXCEPT PER SHARE AMOUNTS AND SHARES	Three Months Ended		Six Months Ended	
	2025	2024	2025	2024
Net income for the period	\$ 516	\$ 269	\$ 234	\$ 606
Dividends on Class A redeemable junior preferred shares <sup>(1)</sup>	—	(28)	—	(56)
	\$ 516	\$ 241	\$ 234	\$ 550
Attributable to:				
Class A exchangeable and Class B shareholders <sup>(2)</sup>	\$ 4	\$ 3	\$ 8	\$ 6
Class C shareholder	497	233	167	537
Non-controlling interests	15	5	59	7
	\$ 516	\$ 241	\$ 234	\$ 550
<b>Earnings per class C share – basic</b>	<b>\$ 2.44</b>	<b>\$ 1.95</b>	<b>\$ 0.83</b>	<b>\$ 4.85</b>
Weighted average shares – Class C shares	<b>203,406,212</b>	119,294,264	<b>202,267,754</b>	110,675,524

(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 three and six months ended June 30, 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 Brookfield agreements

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 June 30, 2025 and December 31, 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 following table reflects the related party agreements and transactions involving Brookfield, which includes Brookfield Corporation's subsidiaries, included in the statements of operations:

FOR THE PERIODS ENDED JUN. 30 US\$ MILLIONS	Three Months Ended		Six Months Ended	
	2025	2024	2025	2024
Credit agreement fees with Brookfield .....	\$ —	\$ —	\$ —	\$ —
Support agreement fees with Brookfield .....	—	—	—	—
Rights agreement fees to Brookfield .....	—	—	—	—
Administration fees with Brookfield .....	2	1	4	5
Investment management fees to Brookfield <sup>(1)</sup> .....	55	41	107	62
Licensing agreement fees to Brookfield .....	—	—	—	—

(1) The Company had \$57 million and \$39 million of investment management fees payable to Brookfield as of June 30, 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 June 30, 2025 and 2024 are primarily related to accounts and loans payable to Brookfield and its subsidiaries.

### (b) Other related party transactions

For the six months ended June 30, 2025, the Company and its subsidiaries, in aggregate, purchased related party investments of \$5.6 billion (2024 – \$4.2 billion). Investment transactions with related parties are accounted for in the same manner as those with unrelated parties in the financial statements.

As of June 30, 2025, we held investments in related parties of \$17.7 billion, which include \$3.6 billion of BAM shares, \$1.7 billion of our investment in a Brookfield real estate private fund, \$1.7 billion of real estate partnerships associated with Brookfield office and retail real estate properties and \$1.0 billion of our interest in BBU, to which we apply equity method of accounting (December 31, 2024 – \$12.5 billion).

The Company had \$310 million of cash on deposit with a wholly-owned subsidiary of Brookfield as of June 30, 2025 (December 31, 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 THREE MONTHS ENDED JUN. 30, 2025 US\$ MILLIONS	Annuities	P&C	Life Insurance	Corporate & Other	Total
Net premiums and other policy related revenues	\$ 493	\$ 633	\$ 103	\$ —	
Net investment income, including reinsurance funds withheld	1,345	109	57	71	
Segment revenues <sup>(1)(2)</sup>	1,838	742	160	71	\$ 2,811
Policyholder benefits, net	(442)	(474)	(78)	—	
Interest sensitive contract benefits, excluding index credits	(500)	—	(6)	—	
Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired	(225)	(127)	(11)	—	
Other insurance and reinsurance expenses <sup>(3)</sup>	(122)	—	—	—	
Operating expenses, excluding transactions costs	(139)	(76)	(25)	(19)	
Interest expense	—	—	—	(82)	
Income tax expense, net	—	—	—	(87)	
<b>Segment DOE</b>	<b>\$ 410</b>	<b>\$ 65</b>	<b>\$ 40</b>	<b>\$ (117)</b>	<b>\$ 398</b>
Depreciation and amortization expenses					(52)
Deferred income tax expense relating to basis and other changes					(4)
Transaction costs					(14)
Mark-to-market gains on investments, including reinsurance funds withheld					237
Mark-to-market losses on insurance contracts and other net assets					(49)
<b>Net income</b>					<b>\$ 516</b>

FOR THE THREE MONTHS ENDED JUN. 30, 2024  
 US\$ MILLIONS

	Annuities	P&C	Life Insurance	Corporate & Other	Total
Net premiums and other policy related revenues	\$ 773	\$ 750	\$ 193	\$ —	
Net investment income, including reinsurance funds withheld	924	128	110	35	
Segment revenues <sup>(1)(2)</sup>	1,697	878	303	35	\$ 2,913
Policyholder benefits, net	(747)	(599)	(129)	—	
Interest sensitive contract benefits, excluding index credits	(311)	—	(26)	—	
Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired	(148)	(117)	(11)	—	
Other insurance and reinsurance expenses <sup>(3)</sup>	(46)	—	—	—	
Operating expenses, excluding transactions costs	(129)	(129)	(62)	(21)	
Interest expense	—	—	—	(95)	
Income tax recovery (expense), net	(46)	4	(12)	9	
<b>Segment DOE</b>	<b>\$ 270</b>	<b>\$ 37</b>	<b>\$ 63</b>	<b>\$ (72)</b>	<b>\$ 298</b>
Depreciation and amortization expenses					(34)
Deferred income tax recovery relating to basis and other changes					343
Transaction costs					(137)
Mark-to-market losses on investments, including reinsurance funds withheld					(5)
Mark-to-market losses on insurance contracts and other net assets					(196)
<b>Net income</b>					<b>\$ 269</b>

FOR THE SIX MONTHS ENDED JUN. 30, 2025  
 US\$ MILLIONS

	<b>Annuities</b>	<b>P&amp;C</b>	<b>Life Insurance</b>	<b>Corporate &amp; Other</b>	<b>Total</b>
Net premiums and other policy related revenues	\$ 1,045	\$ 1,281	\$ 204	\$ —	
Net investment income, including reinsurance funds withheld	2,666	213	108	141	
Segment revenues <sup>(1)(2)</sup>	3,711	1,494	312	141	<b>\$ 5,658</b>
Policyholder benefits, net	(973)	(910)	(163)	—	
Interest sensitive contract benefits, excluding index credits	(984)	—	(13)	—	
Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired	(447)	(237)	(18)	—	
Other insurance and reinsurance expenses <sup>(3)</sup>	(214)	—	—	—	
Operating expenses, excluding transactions costs	(261)	(164)	(46)	(48)	
Interest expense	—	—	—	(162)	
Income tax expense, net	—	—	—	(183)	
<b>Segment DOE</b>	<b>\$ 832</b>	<b>\$ 183</b>	<b>\$ 72</b>	<b>\$ (252)</b>	<b>\$ 835</b>
Depreciation and amortization expenses					<b>(116)</b>
Deferred income tax recovery relating to basis and other changes					<b>179</b>
Transaction costs					<b>(55)</b>
Mark-to-market gains on investments, including reinsurance funds withheld					<b>27</b>
Mark-to-market losses on insurance contracts and other net assets					<b>(636)</b>
<b>Net income</b>					<b>\$ 234</b>

FOR THE SIX MONTHS ENDED JUN. 30, 2024					
US\$ MILLIONS					
	<b>Annuities</b>	<b>P&amp;C</b>	<b>Life Insurance</b>	<b>Corporate &amp; Other</b>	<b>Total</b>
Net premiums and other policy related revenues	\$ 1,425	\$ 1,541	\$ 393	\$ —	
Net investment income, including reinsurance funds withheld	1,387	231	221	83	
Segment revenues <sup>(1)(2)</sup>	2,812	1,772	614	83	\$ 5,281
Policyholder benefits, net	(1,426)	(1,139)	(316)	—	
Interest sensitive contract benefits, excluding index credits	(467)	—	(26)	—	
Amortization of deferred policy acquisition costs, deferred sales inducements and value of business acquired	(175)	(305)	(21)	—	
Other insurance and reinsurance expenses <sup>(3)</sup>	(69)	—	—	—	
Operating expenses, excluding transactions costs	(204)	(194)	(119)	(21)	
Interest expense	—	—	—	(167)	
Income tax recovery (expense), net	(46)	2	(12)	1	
<b>Segment DOE</b>	<b>\$ 425</b>	<b>\$ 136</b>	<b>\$ 120</b>	<b>\$ (104)</b>	<b>\$ 577</b>
Depreciation and amortization expenses					(56)
Deferred income tax recovery relating to basis and other changes					328
Transaction costs					(149)
Mark-to-market gains on investments, including reinsurance funds withheld					178
Mark-to-market losses on insurance contracts and other net assets					(272)
<b>Net income</b>					<b>\$ 606</b>

(1) For the three and six months ended June 30, 2025 and 2024, 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 three and six months ended June 30, 2025 and 2024 were primarily from pension risk transfer transactions with institutions in the U.S. 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 American National and Argo, which include coverage for property, casualty, specialty and other. Total earned premiums within this segment for the three and six months ended June 30, 2025 and 2024 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 three and six months ended June 30, 2025 and 2024 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 JUN. 30, 2025 US\$ MILLIONS	Annuities	P&C	Life Insurance	Corporate & Other	Total
Assets .....	\$ 117,709	\$ 13,214	\$ 9,089	\$ 8,881	\$ 148,893
Liabilities .....	109,792	9,600	7,695	5,967	133,054
Equity .....	7,917	3,614	1,394	2,914	15,839

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 US\$ MILLIONS	June 30, 2025	December 31, 2024
United States .....	\$ 135,421	\$ 130,051
Canada .....	5,469	5,238
Bermuda .....	3,743	4,202
Other .....	4,260	462
<b>Total assets</b> .....	<b>\$ 148,893</b>	<b>\$ 139,953</b>

The breakdown of total revenue by jurisdiction follows.

FOR THE PERIODS ENDED JUN. 30 US\$ MILLIONS	Three Months Ended		Six Months Ended	
	2025	2024	2025	2024
United States .....	\$ 2,570	\$ 1,977	\$ 5,087	\$ 4,022
Canada .....	61	278	155	394
Bermuda .....	105	30	84	149
Other <sup>(1)</sup> .....	301	617	329	822
<b>Total revenue</b> .....	<b>\$ 3,037</b>	<b>\$ 2,902</b>	<b>\$ 5,655</b>	<b>\$ 5,387</b>

(1) No other country greater than 10%.

## **NOTE 28. FINANCIAL COMMITMENTS AND CONTINGENCIES**

### **Commitments**

As of June 30, 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 \$9.7 billion (December 31, 2024 – \$10.3 billion).

In addition, the subsidiaries of the Company had outstanding letters of credit in the amount of \$40 million as of June 30, 2025 (December 31, 2024 – \$437 million). As of June 30, 2025, certain of our subsidiaries had approximately \$147 million of future payments, inclusive of office space construction costs, under their long-term operating lease agreements.

### **Federal Home Loan Bank (“FHLB”) 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 June 30, 2025, certain municipal bonds and collateralized mortgage obligations with a fair value of approximately \$800 million (December 31, 2024 – \$800 million) and commercial mortgage loans of approximately \$956 million (December 31, 2024 – \$727 million) were on deposit with the FHLB as collateral for borrowing. As of June 30, 2025, the collateral provided borrowing capacity of approximately \$1.4 billion (December 31, 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.

### **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. SUBSEQUENT EVENTS**

Subsequent to June 30, 2025, the Company's Board of Directors (the "**Board**") approved a three-for-two stock split (the "**Stock Split**") of its outstanding Class A exchangeable shares. The stock dividend will be payable on October 9, 2025 to shareholders of record at the close of business on October 3, 2025. Fractional shares will be paid in cash based on the closing price of the Class A exchangeable shares on the TSX and NYSE on the record date. The Board has also approved a concurrent three-for-two split of the Company's Class B shares. Upon completion of the Stock Split, the Class A exchangeable shares will continue to maintain economic equivalence to class A limited voting shares of Brookfield Corporation.

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**"), in an all-cash transaction for approximately £2.4 billion (\$3.2 billion). The acquisition is expected to close in the first half of 2026, subject to customary closing conditions.