

# Financial Supplement

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## Fourth Quarter and Full Year 2024

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# Financial Highlights

(in millions USD, unless otherwise indicated, unaudited)

	For the Three Months Ended or As of					Change	Year Ended or As of			Change
	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	Y/Y	2022	2023	2024	Y/Y
<b>ASSETS &amp; RESERVES</b>										
Average Net Invested Assets, at carrying value <sup>1</sup>	62,533	76,196	74,570	75,604	75,202	20 %	47,558	54,638	75,335	38 %
Average Separate Account Assets <sup>2</sup>	21,200	21,973	21,872	21,747	21,370	1 %	21,774	21,570	21,656	— %
<b>Total Average Invested and Managed Assets</b>	<b>83,733</b>	<b>98,169</b>	<b>96,442</b>	<b>97,351</b>	<b>96,572</b>	<b>15 %</b>	<b>69,332</b>	<b>76,208</b>	<b>96,991</b>	<b>27 %</b>
<b>PERFORMANCE &amp; PROFITABILITY MEASURES</b>										
Core Operating Earnings	180	207	227	183	177	(1.67)%	533	743	794	7 %
Net Investment Spread (%)	1.55 %	1.66 %	1.80 %	1.30 %	1.33 %	(22) bps	1.93 %	1.84 %	1.52 %	(32) bps
Policy and Other Operating Expense ratio	(0.40)%	(0.43)%	(0.41)%	(0.43)%	(0.42)%	2 bps	(0.56)%	(0.52)%	(0.42)%	(10) bps
Core Return on Assets (ROA) (%)	1.15 %	1.09 %	1.22 %	0.97 %	0.94 %	(21) bps	1.12 %	1.36 %	1.05 %	(31) bps
<b>CAPITAL INFORMATION</b>										
US CAL RBC ratio (%)							868 %	590% <sup>3</sup>		(278)%
Bermuda Solvency Capital Requirement ratio (%)							218 %	196% <sup>4</sup>		(22)%

1. Excludes separate accounts

2. Includes only Retained separate accounts

3. As of December 31, 2024

4. As of September 30, 2024

Note: Please refer to "Notes to the Financial Statement" section for more information on non-GAAP measures.

# Consolidated Statements of Income (GAAP View)

(in millions USD, unless otherwise indicated, unaudited)

	For the Three Months Ended or As of					Change	Year Ended or As of			Change
	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	Y/Y	2022	2023	2024	Y/Y
<b>REVENUES:</b>										
Premiums	60	64	60	58	61	2 %	244	245	243	(1)%
Policy charges and fee income	312	331	347	351	329	5 %	449	722	1,358	88 %
Net investment income	785	1,047	1,011	1,021	1,064	36 %	2,093	2,523	4,143	64 %
Change in fair value of funds withheld - directly managed	2,987	(548)	(554)	1,843	(1,969)	(166)%	(8,688)	1,996	(1,228)	(162)%
Investment gains (losses)	638	(562)	(381)	642	(1,167)	(283)%	(3,113)	(933)	(1,468)	57 %
Foreign exchange gains (losses)	(83)	(6)	(18)	(57)	(111)	34 %	32	(103)	(192)	86 %
Asset management and service fees	23	23	23	24	23	— %	71	91	93	2 %
Other income	12	22	21	22	21	75 %	87	85	86	1 %
<b>Total Revenues</b>	<b>4,734</b>	<b>371</b>	<b>509</b>	<b>3,904</b>	<b>(1,749)</b>	<b>(137)%</b>	<b>(8,825)</b>	<b>4,626</b>	<b>3,035</b>	<b>(34)%</b>
<b>BENEFITS AND EXPENSES:</b>										
Policyholder benefits and changes in fair value of insurance liabilities	1,575	131	552	1,561	245	(84)%	(112)	2,193	2,489	14 %
Interest credited to policyholder account balances	163	239	223	220	241	48 %	321	449	923	106 %
General operating and other expenses	146	182	168	184	177	21 %	538	616	711	15 %
Goodwill impairment	—	—	—	—	—	— %	—	93	—	(100)%
Interest expense	23	36	26	34	30	30 %	31	66	126	91 %
<b>Total Benefits and Expenses</b>	<b>1,907</b>	<b>588</b>	<b>969</b>	<b>1,999</b>	<b>693</b>	<b>(64)%</b>	<b>778</b>	<b>3,417</b>	<b>4,249</b>	<b>24 %</b>
<b>Income (loss) before income tax expense (benefit)</b>	<b>2,827</b>	<b>(217)</b>	<b>(460)</b>	<b>1,905</b>	<b>(2,442)</b>	<b>n.m.</b>	<b>(9,603)</b>	<b>1,209</b>	<b>(1,214)</b>	<b>n.m.</b>
Income tax expense (benefit)	538	(29)	(137)	377	(496)	n.m.	(1,986)	252	(285)	n.m.
<b>Net Income (Loss)</b>	<b>2,289</b>	<b>(188)</b>	<b>(323)</b>	<b>1,528</b>	<b>(1,946)</b>	<b>n.m.</b>	<b>(7,617)</b>	<b>957</b>	<b>(929)</b>	<b>n.m.</b>

# Adjusted Income/ Return on Assets (Management View)

(in millions USD, unless otherwise indicated, unaudited)

	For the Three Months Ended or As of					Change	Year Ended or As of			Change
	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	Y/Y	2022	2023	2024	Y/Y
<i>Fixed income and other net investment income</i>	711	945	914	904	944	33 %	1,623	2,231	3,706	66 %
<i>Alternative net investment income</i>	56	88	81	101	104	85 %	341	217	374	72 %
Net investment earnings	767	1,033	994	1,005	1,048	37 %	1,963	2,448	4,080	67 %
Cost of insurance	(525)	(718)	(659)	(760)	(797)	52 %	(1,044)	(1,445)	(2,934)	103 %
<b>Net Investment Spread</b>	<b>242</b>	<b>315</b>	<b>335</b>	<b>245</b>	<b>251</b>	<b>4 %</b>	<b>920</b>	<b>1,003</b>	<b>1,146</b>	<b>14 %</b>
Policy and other operating expenses	(62)	(81)	(76)	(81)	(79)	27 %	(268)	(282)	(317)	12 %
Interest and other financing costs	(22)	(37)	(27)	(32)	(30)	39 %	(31)	(66)	(126)	91 %
Income tax (expense) benefit	(28)	(23)	(25)	(15)	(13)	(53)%	(125)	(115)	(76)	(34)%
<b>Adjusted Net Income</b>	<b>130</b>	<b>175</b>	<b>207</b>	<b>117</b>	<b>129</b>	<b>(1)%</b>	<b>496</b>	<b>540</b>	<b>628</b>	<b>16 %</b>
Less: Non-operating items	(50)	(32)	(20)	(66)	(49)	(2)%	(37)	(202)	(167)	(17)%
<b>Core Operating Earnings</b>	<b>180</b>	<b>207</b>	<b>227</b>	<b>183</b>	<b>177</b>	<b>(2)%</b>	<b>533</b>	<b>743</b>	<b>794</b>	<b>7 %</b>
<i>Fixed income and other net investment income</i>	4.91 %	5.29 %	5.24 %	5.12 %	5.37 %	47 bps	3.65 %	4.40 %	5.26 %	86 bps
<i>Alternative net investment income</i>	4.91 %	7.50 %	6.74 %	8.17 %	8.41 %	350 bps	10.89 %	5.53 %	7.73 %	220 bps
Net investment return ratio	4.91 %	5.42 %	5.33 %	5.32 %	5.57 %	67 bps	4.13 %	4.48 %	5.42 %	93 bps
Net cost of insurance ratio	(3.36)%	(3.77)%	(3.54)%	(4.02)%	(4.24)%	(88) bps	(2.19)%	(2.65)%	(3.89)%	(125) bps
<b>Net Investment Spread</b>	<b>1.55 %</b>	<b>1.66 %</b>	<b>1.80 %</b>	<b>1.30 %</b>	<b>1.33 %</b>	<b>(22) bps</b>	<b>1.93 %</b>	<b>1.84 %</b>	<b>1.52 %</b>	<b>(32) bps</b>
Policy and other operating expense ratio	(0.40)%	(0.43)%	(0.41)%	(0.43)%	(0.42)%	2 bps	(0.56)%	(0.52)%	(0.42)%	(10) bps
Interest expense ratio	(0.14)%	(0.19)%	(0.14)%	(0.17)%	(0.16)%	2 bps	(0.06)%	(0.12)%	(0.17)%	5 bps
Income tax expense ratio	(0.18)%	(0.11)%	(0.13)%	(0.07)%	(0.08)%	(10) bps	(0.26)%	(0.21)%	(0.10)%	(11) bps
<b>Return on Assets</b>	<b>0.83 %</b>	<b>0.93 %</b>	<b>1.11 %</b>	<b>0.62 %</b>	<b>0.67 %</b>	<b>(16) bps</b>	<b>1.04 %</b>	<b>0.99 %</b>	<b>0.83 %</b>	<b>(16) bps</b>
Less: Non-operating items	(0.32)%	(0.16)%	(0.11)%	(0.34)%	(0.27)%	5 bps	(0.08)%	(0.37)%	(0.22)%	15 bps
<b>Core Return on Assets</b>	<b>1.15 %</b>	<b>1.09 %</b>	<b>1.22 %</b>	<b>0.97 %</b>	<b>0.94 %</b>	<b>(21) bps</b>	<b>1.12 %</b>	<b>1.36 %</b>	<b>1.05 %</b>	<b>(31) bps</b>
<b>Avg Net Invested Assets, at carrying value</b>	<b>62,533</b>	<b>76,196</b>	<b>74,570</b>	<b>75,604</b>	<b>75,202</b>	<b>20 %</b>	<b>47,558</b>	<b>54,638</b>	<b>75,335</b>	<b>38 %</b>

# Consolidated Balance Sheet (GAAP View)

(in millions USD, unless otherwise indicated, unaudited)

	Balances as of					Change
	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	Y/Y
ASSETS						
Funds withheld by ceding companies, at fair value	41,673	40,738	39,705	41,389	38,649	(7)%
Fixed maturities available for sale, at fair value	20,253	19,756	18,499	18,872	17,842	(12)%
Fixed maturity securities, at fair value	10,344	10,846	10,412	11,148	10,587	2 %
Mortgage loans, at fair value	1,318	1,447	2,658	3,279	3,626	175 %
Other invested assets, at fair value	2,011	2,044	2,217	2,138	1,986	(1)%
Short term investments	70	138	84	187	178	154 %
Total Investments	75,669	74,969	73,575	77,013	72,868	(4)%
Cash and cash equivalents	3,064	1,945	2,033	2,114	1,997	(35)%
Deferred income taxes	2,235	2,348	2,549	2,093	2,716	22 %
Deferred cost of reinsurance contracts	3,832	3,768	3,684	3,596	3,544	(8)%
Other assets	1,842	1,695	1,674	1,749	1,584	(14)%
Separate account assets, at fair value	23,871	24,262	23,675	24,010	22,857	(4)%
Total Assets	110,513	108,987	107,190	110,575	105,566	(4)%
Average Total Investments	61,356	75,319	74,272	75,294	74,941	22 %
Average Net Invested Assets, at carrying value	62,533	76,196	74,570	75,604	75,202	20 %

\*Quarterly averages are calculated by averaging the current and immediately preceding quarter. For year-to-date periods, calculated by averaging as of the end of each quarter in the applicable trailing period.

# Consolidated Balance Sheet (GAAP View) - continued

(in millions USD, unless otherwise indicated, unaudited)

	Balances as of					Change
	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	Y/Y
LIABILITIES						
Future policy benefits	41,647	41,347	41,082	42,151	41,668	— %
Policyholder contract deposits	28,300	27,505	26,949	27,016	26,118	(8)%
Insurance liabilities, at fair value	5,004	4,545	4,386	4,754	4,380	(12)%
Liability for unpaid losses and loss adjustment expenses	3,168	3,088	2,993	2,700	2,639	(17)%
Value of business acquired	3,617	3,573	3,531	3,476	3,434	(5)%
Debt	1,491	1,492	1,492	1,493	1,494	— %
Deferred gain from reinsurance contracts	800	786	785	777	763	(5)%
Loaned securities and repurchase agreements	968	1,121	1,123	1,249	1,449	50 %
Other liabilities	1,656	1,668	2,065	1,873	2,235	35 %
Separate account liabilities, at fair value	23,871	24,262	23,675	24,010	22,857	(4)%
Total Liabilities	110,522	109,387	108,081	109,500	107,037	(3)%
EQUITY						
Owners' equity	5,291	5,295	5,298	5,301	5,305	— %
Retained earnings (deficit)	(5,257)	(5,445)	(5,768)	(4,240)	(6,386)	(21)%
Accumulated other comprehensive income (loss)	(43)	(250)	(421)	14	(390)	n.m.
Total Equity (deficit)	(9)	(400)	(891)	1,075	(1,471)	n.m.
Total Liabilities and Equity	110,513	108,987	107,190	110,575	105,566	(4)%
Memo: Non-Economic Items Included in Total Equity (deficit)						
Accumulated other comprehensive income (loss), net of tax	(43)	(250)	(421)	14	(390)	n.m.
Cumulative change in fair value of funds withheld, net of tax	(5,026)	(5,459)	(5,897)	(4,441)	(5,997)	(19)%
Cumulative income statement impact of unrealized investment (gains) losses on AIL, net of tax*	(460)	(274)	(136)	(429)	(182)	60 %
Total Non-Economic Items Included in Total Equity (deficit)	(5,529)	(5,983)	(6,454)	(4,856)	(6,569)	(19)%

\*AIL refers to Additional Insurance Liabilities. Cumulative change in AIL results from market-driven unrealized gains and losses recorded within the funds withheld portfolio and partially reflected within the AIL reserve balance. Since these market movements do not reflect underlying business performance, the impact is considered a non-economic component of GAAP equity and excluded from adjusted equity.

# GAAP Reserves Summary by Product

(in millions USD, unless otherwise indicated, unaudited)

	12/31/2023		3/31/2024		6/30/2024		9/30/2024		12/31/2024		Change
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Y/Y
<b>NET RESERVE LIABILITIES</b>											
Traditional Whole Life	4,287	6 %	4,187	6 %	4,080	6 %	4,223	6 %	4,103	6 %	(4)%
Term Life	2,127	3 %	2,141	3 %	2,136	3 %	2,135	3 %	2,139	3 %	1 %
Universal Life	11,169	15 %	11,015	15 %	10,942	15 %	11,410	15 %	11,060	15 %	(1)%
Universal Life with Secondary Guarantees	12,172	16 %	12,139	16 %	12,117	17 %	12,385	17 %	12,424	17 %	2 %
<b>Total Life Insurance</b>	<b>29,755</b>	<b>39 %</b>	<b>29,482</b>	<b>40 %</b>	<b>29,275</b>	<b>40 %</b>	<b>30,153</b>	<b>41 %</b>	<b>29,726</b>	<b>41 %</b>	<b>— %</b>
<i>Fixed Payments</i>	11,924	16 %	11,518	16 %	11,148	15 %	11,208	15 %	10,765	15 %	(10)%
<i>Life Contingent Payments</i>	16,362	22 %	16,226	22 %	16,117	22 %	16,114	22 %	15,972	22 %	(2)%
Payout Annuities	28,286	37 %	27,744	37 %	27,265	37 %	27,322	37 %	26,737	37 %	(5)%
Fixed Deferred Annuities (including equity-indexed)	11,354	15 %	11,062	15 %	10,938	15 %	11,160	15 %	10,792	15 %	(5)%
Variable Annuities (general account)	2,556	3 %	2,064	3 %	1,954	3 %	2,223	3 %	1,913	3 %	(25)%
<b>Total Annuities</b>	<b>42,196</b>	<b>56 %</b>	<b>40,870</b>	<b>55 %</b>	<b>40,157</b>	<b>55 %</b>	<b>40,705</b>	<b>55 %</b>	<b>39,442</b>	<b>54 %</b>	<b>(7)%</b>
Health	759	1 %	745	1 %	737	1 %	727	1 %	752	1 %	(1)%
P&C	3,167	4 %	3,087	4 %	2,993	4 %	2,699	4 %	2,639	4 %	(17)%
<b>Other</b>	<b>3,926</b>	<b>5 %</b>	<b>3,832</b>	<b>5 %</b>	<b>3,730</b>	<b>5 %</b>	<b>3,426</b>	<b>5 %</b>	<b>3,391</b>	<b>5 %</b>	<b>(14)%</b>
<b>Total GAAP Reserves and Insurance Liabilities, net of reinsurance</b>	<b>75,877</b>	<b>100 %</b>	<b>74,184</b>	<b>100 %</b>	<b>73,162</b>	<b>100 %</b>	<b>74,284</b>	<b>100 %</b>	<b>72,559</b>	<b>100 %</b>	<b>(4)%</b>
Ceded Reinsurance	2,242		2,301		2,248		2,335		2,246		
<b>Total GAAP Reserves and Insurance Liabilities, gross of reinsurance</b>	<b>78,119</b>		<b>76,485</b>		<b>75,410</b>		<b>76,619</b>		<b>74,805</b>		
Separate Account Reserves	23,871		24,262		23,675		24,010		22,857		
<b>Total Gross GAAP Reserves</b>	<b>101,990</b>		<b>100,747</b>		<b>99,085</b>		<b>100,629</b>		<b>97,662</b>		

# Invested Assets by Asset Class

(in millions USD, unless otherwise indicated, unaudited)

	December 31, 2023		December 31, 2024	
	Fair Value	FV % of Total	Fair Value	FV % of Total
<b>Credit</b>	<b>54,121</b>	<b>72 %</b>	<b>45,584</b>	<b>63 %</b>
RMBS	1,523	2 %	1,720	3 %
CMBS	1,488	2 %	1,574	2 %
CLO/ABS	6,993	9 %	10,348	14 %
<b>Structured products</b>	<b>10,004</b>	<b>13 %</b>	<b>13,642</b>	<b>19 %</b>
Commercial	3,671	5 %	3,361	5 %
Residential	1,240	1 %	3,524	5 %
<b>Loans and income-generating assets</b>	<b>4,911</b>	<b>6 %</b>	<b>6,885</b>	<b>10 %</b>
Private equity funds	4,628	6 %	4,836	6 %
Derivatives and other	1,352	2 %	1,274	1 %
<b>Other invested assets</b>	<b>5,980</b>	<b>8 %</b>	<b>6,110</b>	<b>7 %</b>
<b>Short-term investments</b>	<b>653</b>	<b>1 %</b>	<b>647</b>	<b>1 %</b>
<b>Total Investments</b>	<b>75,669</b>	<b>100 %</b>	<b>72,868</b>	<b>100 %</b>
Cash and cash equivalents	3,064		1,997	
Ceded investments (including cash)	(1,605)		(1,792)	
<b>Net Invested Assets, at carrying value</b>	<b>77,128</b>		<b>73,073</b>	

# Credit Quality of Securities - Credit

(in millions USD, unless otherwise indicated, unaudited)

	December 31, 2023		December 31, 2024	
	Fair Value	FV % of Total	Fair Value	FV % of Total
AAA/AA/A	23,810	44 %	20,020	44 %
BBB	20,853	39 %	18,729	41 %
BIG	1,376	2 %	906	2 %
Non-rated investment grade	30	— %	79	— %
<b>Total Corporate Debt</b>	<b>46,069</b>	<b>84 %</b>	<b>39,734</b>	<b>87 %</b>
AAA/AA/A	3,582	7 %	2,296	5 %
BBB	49	— %	38	— %
BIG	1	— %	7	— %
Non-rated investment grade	5	— %	4	— %
<b>Total Obligations of states, municipalities and political subdivisions</b>	<b>3,637</b>	<b>7 %</b>	<b>2,345</b>	<b>5 %</b>
AAA/AA/A	1,399	3 %	1,099	2 %
BBB	457	1 %	243	1 %
BIG	67	— %	50	— %
Non-rated investment grade	—	— %	—	— %
<b>Total Non-U.S. governments</b>	<b>1,923</b>	<b>4 %</b>	<b>1,392</b>	<b>3 %</b>
AAA/AA/A	2,492	5 %	2,113	5 %
BBB	—	— %	—	— %
BIG	—	— %	—	— %
Non-rated investment grade	—	— %	—	— %
<b>Total U.S. government and government sponsored entities</b>	<b>2,492</b>	<b>5 %</b>	<b>2,113</b>	<b>5 %</b>
<b>Total Credit</b>	<b>54,121</b>	<b>100 %</b>	<b>45,584</b>	<b>100 %</b>

# Credit Quality of Securities - Structured Products

(in millions USD, unless otherwise indicated, unaudited)

	December 31, 2023		December 31, 2024	
	Fair Value	FV % of Total	Fair Value	FV % of Total
<b>NAIC designation</b>				
1	7,634	76 %	9,042	66 %
2	2,086	21 %	3,711	27 %
<b>Total investment grade</b>	<b>9,720</b>	<b>97 %</b>	<b>12,753</b>	<b>93 %</b>
3	99	1 %	387	3 %
4	43	— %	142	1 %
5	17	— %	18	— %
6	125	1 %	342	3 %
<b>Total below investment grade</b>	<b>284</b>	<b>3 %</b>	<b>889</b>	<b>7 %</b>
<b>Total Structured Products</b>	<b>10,004</b>	<b>100 %</b>	<b>13,642</b>	<b>100 %</b>
<b>NRSRO rating agency designation</b>				
AAA/AA/A	7,591	76 %	9,073	67 %
BBB	2,160	22 %	3,736	27 %
<b>Total investment grade</b>	<b>9,751</b>	<b>98 %</b>	<b>12,809</b>	<b>94 %</b>
BB	108	1 %	390	3 %
B	38	— %	149	1 %
CCC	7	— %	7	— %
CC and lower	100	1 %	287	2 %
<b>Total below investment grade</b>	<b>253</b>	<b>2 %</b>	<b>833</b>	<b>6 %</b>
<b>Total Structured Products</b>	<b>10,004</b>	<b>100 %</b>	<b>13,642</b>	<b>100 %</b>

# Credit Quality of Securities - Commercial Mortgage Loans

(in millions USD, unless otherwise indicated, unaudited)

	December 31, 2024	
	Fair Value	FV % of Total
<b>CM Rating</b>		
CM1	1,062	32 %
CM2	1,884	56 %
CM3	330	10 %
CM4	69	2 %
CM5	—	— %
CM6	16	— %
<b>Total Commercial Mortgage Loans</b>	<b>3,361</b>	<b>100 %</b>

KEY OPERATING AND NON-GAAP MEASURES

In addition to presenting results and key metrics determined in accordance with US GAAP, we believe that using certain non-GAAP measures provide investors with an increased understanding of our results of operations, financial condition, and underlying profitability drivers of the business. Management believes that adjusted net income and core operating earnings provide valuable measures of the ongoing profitability and underlying trends of the Company's ongoing operations.

Key Operating or non-GAAP measure	Comparable GAAP measure
Adjusted Net Income	Net Income
Core operating earnings	Net Income
Core Return on Assets	Return On Assets
Net Invested Assets, at carrying value	Total Investments
Net Investment Spread	Investment Yield
Net Reserves	Total Liabilities
Adjusted Equity	Equity

ADJUSTED NET INCOME AND CORE OPERATING EARNINGS

In addition to presenting net income (loss) determined in accordance with US GAAP, the company uses non-GAAP measures called Adjusted Net Income and Core Operating Earnings. Management believes that adjusted net income and core operating earnings provide valuable measures of the ongoing profitability and underlying trends of the Company's ongoing operations. Adjusted net income excludes change in fair value of funds withheld, net investment gains and losses and the associated impact of unrealized investment gains and losses on our additional insurance liabilities, certain variable annuity product features, foreign exchange gains and losses, long term incentive plan expenses, and goodwill impairment. Core Operating Earnings further adjusts the performance of our alternative investment portfolio based on its long-term return target and excludes certain actuarial experience and model update gains and losses, management fees and operational adjustments, and the impact of realized investment gains and losses on our additional insurance liabilities.

## **NET INVESTED ASSETS, AT CARRYING VALUE**

The Company evaluates its invested asset position using net invested assets, at carrying value which includes cash and cash equivalents and excludes ceded investments and cash and cash equivalents. Management believes this is a more useful measure of invested assets as it removes the impact of the ceded investments and cash and cash equivalents as the full economics are ceded back to counterparties. Average net invested assets, at carrying value, is a trailing five quarter average for the year ending period.

## **NET RESERVES**

Net Reserves is defined as total liabilities per US GAAP less separate account liabilities, value of business acquired, deferred gain from reinsurance contracts, loaned securities and repurchase agreements, debt, and other non-reserve-type liabilities. Net Reserves also excludes liabilities of fully ceded business units. Average net reserves is a trailing five quarter average for the year ending period.

## **ADJUSTED EQUITY**

The Company evaluates its equity position using adjusted equity, which excludes the net of tax impact of accumulated other comprehensive (loss) income, the net of tax impact of cumulative change in the fair value of the funds withheld, and the net of tax impact of cumulative investment (gains) losses on additional insurance liabilities. Management believes this is a more useful measure of equity as it is unaffected by changes in interest rates and credit spreads that can fluctuate significantly from period to period.

## **NET INVESTMENT RETURN RATIO**

The net investment return ratio is calculated as the annualized earned net invested income per US GAAP after deducting certain adjustments related to ceded investments divided by average net invested assets, at carrying value.

## **NET COST OF INSURANCE RATIO**

The net cost of insurance ratio is calculated as total benefits and expenses per US GAAP after deducting certain adjustments unrelated to actuarial benefit expenses and including certain actuarial income items divided by average net invested assets, at carrying value.

## **POLICY AND OTHER OPERATING EXPENSE RATIO**

The policy and other operating expense ratio is calculated as total general operating expenses per US GAAP after deducting certain adjustments unrelated to core expenses required to run the business divided by average net invested assets, at carrying value.

## **NON-OPERATING ITEMS**

Non-operating items include certain impacts determined by the Company to be unusual or one-time items that are adjusted in order to provide insight into the core earnings potential of the business

# Notes to the Financial Statement (3/3)

## ALTERNATIVE INVESTMENTS ADJUSTMENT FOR LONG-TERM RETURN EXPECTATIONS

Represents the difference between actual returns on alternative investments and an assumed 12% long term return expectation. This adjustment normalizes investment performance by excluding short-term volatility and aligning results with long-term expected returns.

## ACTUARIAL ADJUSTMENTS / MODEL UPDATES

Adjustments related to differences between actual and expected actuarial experience, as well as updates to actuarial assumptions or methodologies and realized investment gain or loss impacts on our AIL. These adjustments include impacts relating to prior year development ("PYD") on the property and casualty line of business. These changes may arise from policyholder behavior, mortality, longevity, or other assumptions and are excluded to provide a clearer view of underlying business trends and performance. Also includes gains or losses recognized in connection with the novation of reinsurance agreements as these are typically infrequent in nature and do not reflect ongoing business operations.

## MANAGEMENT FEES AND OPERATIONAL ADJUSTMENTS

Represents management fees under our investment management agreement and strategic advisory services agreement. Also includes other operational adjustments which are typically infrequent in nature and do not reflect ongoing business operations.

## REALIZED GAIN OR LOSS IMPACTS ON AIL

Realized gains and losses are reflected within the benefit ratio and in the historical cumulative assessments used in the calculation of the AIL. This results in market-driven realized gains and losses being partially reflected within the movement in the AIL through the Income Statement. Since these market movements do not necessarily reflect underlying business performance, the impact of realized gains and losses impacts on the AIL are also excluded from core operating earnings.

## INCOME TAX EXPENSE OR BENEFIT ON ADJUSTMENTS

The adjustments to arrive at adjusted net income and core operating earnings are tax effected by applying the appropriate jurisdiction's tax rate to all adjustments subject to income tax.

# Reconciliation of Non-GAAP Measures (1/2)

(in millions USD, unless otherwise indicated, unaudited)

	For the Three Months Ended or As of					Year Ended			Change
	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	2022	2023	2024	Y/Y
<b>RECONCILIATION OF TOTAL ASSETS TO NET INVESTED ASSETS</b>									
<b>GAAP Total Investments</b>	<b>75,669</b>	<b>74,969</b>	<b>73,575</b>	<b>77,013</b>	<b>72,868</b>	<b>46,365</b>	<b>75,669</b>	<b>72,868</b>	<b>(4)%</b>
Ceded investments and cash	(1,605)	(1,651)	(1,730)	(1,796)	(1,792)	(2,069)	(1,605)	(1,792)	(12)%
Cash and cash equivalents	3,064	1,945	2,033	2,114	1,997	2,216	3,064	1,997	(35)%
<b>Net Invested Assets, at carrying value</b>	<b>77,128</b>	<b>75,263</b>	<b>73,878</b>	<b>77,331</b>	<b>73,073</b>	<b>46,512</b>	<b>77,128</b>	<b>73,073</b>	<b>(5)%</b>
<b>RECONCILIATION OF TOTAL LIABILITIES TO NET RESERVES</b>									
<b>GAAP Liabilities</b>	<b>110,522</b>	<b>109,387</b>	<b>108,081</b>	<b>109,500</b>	<b>107,037</b>	<b>79,097</b>	<b>110,522</b>	<b>107,037</b>	<b>(3)%</b>
Separate account liabilities	(23,871)	(24,262)	(23,675)	(24,010)	(22,857)	(23,601)	(23,871)	(22,857)	(4)%
Value of business acquired	(3,617)	(3,573)	(3,531)	(3,476)	(3,434)	(3,824)	(3,617)	(3,434)	(5)%
Ceded reserves	(2,242)	(2,301)	(2,248)	(2,335)	(2,246)	(2,710)	(2,242)	(2,246)	— %
Deferred gain from reinsurance contracts	(800)	(786)	(785)	(777)	(763)	(699)	(800)	(763)	(5)%
Loaned securities and repurchase agreements	(968)	(1,121)	(1,123)	(1,249)	(1,449)	(417)	(968)	(1,449)	50 %
Debt	(1,491)	(1,492)	(1,492)	(1,493)	(1,494)	(745)	(1,491)	(1,494)	— %
Other liabilities	(1,656)	(1,668)	(2,065)	(1,876)	(2,235)	(1,511)	(1,656)	(2,235)	35 %
<b>Net Reserves</b>	<b>75,877</b>	<b>74,184</b>	<b>73,162</b>	<b>74,284</b>	<b>72,559</b>	<b>45,590</b>	<b>75,877</b>	<b>72,559</b>	<b>(4)%</b>

# Reconciliation of Non-GAAP Measures (2/2)

(in millions USD, unless otherwise indicated, unaudited)

	For the Three Months Ended or As of					Change	Year Ended or As of			Change
	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	Y/Y	2022	2023	2024	Y/Y
<b>NET INCOME TO CORE EARNINGS</b>										
<b>Net Income (Loss)</b>	<b>2,289</b>	<b>(188)</b>	<b>(323)</b>	<b>1,528</b>	<b>(1,946)</b>	<b>n.m.</b>	<b>(7,617)</b>	<b>957</b>	<b>(929)</b>	<b>n.m.</b>
Change in fair value of funds withheld - directly managed	(2,987)	548	554	(1,843)	1,969	n.m.	8,688	(1,996)	1,228	n.m.
Net investment losses	(343)	241	233	(408)	714	n.m.	1,206	623	780	25 %
Unrealized investment (gains) loss impacts on AIL	582	(235)	(175)	370	(311)	n.m.	—	582	(351)	n.m.
Variable annuity product features	(9)	(149)	58	45	25	n.m.	354	36	(21)	n.m.
Foreign exchange (gains) losses	83	6	18	57	111	34 %	(32)	103	192	86 %
Long-term incentive plan expenses	5	3	4	3	4	(20)%	—	7	14	100 %
Goodwill impairment	—	—	—	—	—	n.m.	—	93	—	(100)%
Income tax (expense) benefit related to above adjustments	510	(51)	(162)	365	(437)	n.m.	(2,104)	134	(285)	n.m.
Adjusted net income	130	175	207	117	129	(1)%	496	540	628	16 %
Alternative investments adj. for long-term return expectations	67	39	58	43	38	(43)%	39	230	178	(23)%
Actuarial experience / model updates	(10)	(20)	(72)	(24)	(30)	200 %	(29)	(32)	(146)	n.m.
Management fees and operational adjustments	(7)	19	19	34	25	n.m.	36	44	97	120 %
Realized (gains) loss impacts on AIL	9	3	25	34	30	233 %	—	9	92	n.m.
Income tax (expense) benefit related to above adjustments	(8)	(9)	(9)	(21)	(15)	88 %	(10)	(49)	(54)	10 %
<b>Core Operating Earnings</b>	<b>180</b>	<b>207</b>	<b>227</b>	<b>183</b>	<b>177</b>	<b>(2)%</b>	<b>533</b>	<b>743</b>	<b>794</b>	<b>7 %</b>

Note: Please refer to "Notes to the Financial Statement" section for more information on non-GAAP measures