

**Wilton Reinsurance Bermuda Limited**  
**Reporting Period January 1, 2024 to December 31, 2024**

## FINANCIAL CONDITION REPORT

### Introduction

Wilton Reinsurance Bermuda Limited (“the Company”) was incorporated under the laws of Bermuda on December 17, 2004. The Company’s registered office is currently located at 14 Par-La-Ville Road, Hamilton, Bermuda. The Company holds a Long-Term Insurer License Class E under the Bermuda Insurance Act of 1978 (“the Act”) and may reinsure the long-term risk of its Wilton Re affiliates and unrelated third parties. As of December 31, 2024, 96% of the Company shares were owned by Wilton Re Ltd. (“WRL”), a holding company domiciled in Nova Scotia, Canada, and 4% of the Company shares were owned by Wilton Re U.S. Holdings, Inc., a holding company domiciled in Delaware, USA.

Prior to September 30, 2024, Wilton Re Overseas Limited (WROL) and WREB were direct subsidiaries of WRL and considered entities under common control. Effective September 30, 2024, WROL was merged with and into WREB. WROL ceased to exist and WREB is the surviving entity.

The Company’s financial condition report (the “Report”) has been prepared in accordance with Schedule I of the Bermuda Insurance (Public Disclosure) Rules 2015. The Report provides the particulars of the following matters: business and performance, governance structure, risk profile, solvency valuation and capital management, and subsequent events.

### 1. Business and Performance

a.	Insurer	Wilton Reinsurance Bermuda Limited (“WREB”)
	Insurance Group	Wilton Re
b.	Insurance Supervisor:	Bermuda Monetary Authority (“BMA”)
	Name and contact information	Darren Street, <a href="mailto:dstreet@bma.bm">dstreet@bma.bm</a>
c.	Approved auditor and jurisdiction	Deloitte Ltd., Bermuda
	Name and contact information	Muhammad Khan, <a href="mailto:muhammad.khan@deloitte.bm">muhammad.khan@deloitte.bm</a>
d.	Ownership	96% shares owned by Wilton Re Ltd. and 4% shares owned by Wilton Re U.S. Holdings, Inc.
e.	Corporate structure charts	See <b>Exhibit 1</b>

**f. Gross Written Premium by Segment:**

<u>Liability Segment</u>	<u>Gross Premium</u> <i>(in \$000's)</i>
Mortality	327,808
Longevity	-
Deferred Annuity	130
Disability	<u>41,282</u>
Total	<b>369,220</b>
<b>Gross written premium by country:</b>	
United States	<b>369,220</b>

As per the Statement of Financial Accounting Standards No.97 (FAS97), fees earned on interest sensitive insurance products are reflected as policy fees and charges, as opposed to premiums, on the statements of income (loss). Also, unearned revenue (UREV) is reflected as policy fees and charges on the statements of income (loss), with the revenue being recognized over the lifetime of the policies, in proportion to estimated gross profits (EGP).

**g. Investments by Asset Class (excludes cash):**

<u>Security Type</u>	<u>Market Value</u> <i>(in \$millions)</i>
U.S. Government Bonds	2,419.1
U.S. Government Agency MBS	181.4
U.S. Government Agencies	512.7
Non-U.S. Government	188.9
Municipal Bonds	767.9
Corporate Bonds	10,448.3
Asset Backed Securities	1,576.5
Residential MBS	150.2
Commercial MBS	362.3
Commercial Mortgage Loans	493.7
Preferred Stock	190.5
<u>Other</u>	<u>928.5</u>
<b>Total Assets</b>	<b>18,220.0</b>

**Marketing and Operating Expenses - 2024**

Expenses for the year are comprised of the following components:

<u>Expense Category</u>	<u>Amount</u> <i>(in \$000's)</i>
Employee expenses	8,226.0
Building costs	193.0
Legal and professional fees	9,057.4
Contract resources and outsourced services	12,611.0
Systems costs	336.1
<u>Other</u>	<u>5,307.5</u>
<b>Total Marketing and Operating Expenses</b>	<b>35,731.0</b>

**Income 2024**

Income for the year is comprised of the following major components:

<b>Revenue</b>	<i>(in \$000's)</i>
Net premiums and policy fees	390,607
Net investment income	164,344
Other income (expenses)	833
<b>Total Revenue</b>	<b>555,784</b>
<b>Expenses</b>	
Claims and policy benefits	417,434
Interest credited to interest sensitive contracts	249,101
Acquisition and other insurance expenses	(13,493)
Marketing and operating expenses	35,731
<b>Total Expenses</b>	<b>688,773</b>
<b>Net Income (Loss) Before Income Taxes</b>	<b>(132,989)</b>
Income Tax	(59,633)
Share of net earnings of equity method investee	(407)
<b>Net Income (Loss)</b>	<b>(73,763)</b>
<b>Other comprehensive income</b>	
Net unrealized investment losses	(221,666)
Less: Income tax expense related to other comprehensive gain	(47,610)
<b>Total other comprehensive income</b>	<b>(174,056)</b>
<b>Total Comprehensive Income</b>	<b>(247,819)</b>

**h. Significant Events During Reporting Period**i. Board of Directors

In January 2025, due to changes in duties at CPPIB, Michael Douglas resigned from the Board of Directors and was replaced by Perry Braun as a non-executive director.

ii. Dividends

On April 25, 2024, the Company declared a dividend of \$200 million payable to its shareholders, WRL and Wilton Re US Holdings. The dividend was paid using cash on May 23, 2024.

iii. Liquidity Facilities

In September 2024, Wilton Re (A) amended its existing \$500 million senior revolving credit agreement by extending the commitment termination date thereunder by one year to September 2027 and increasing the available commitment thereunder for unsecured revolving loans and secured or unsecured letters of credit from \$500 million to \$1.1 billion (as amended, the "\$1.1 billion three-year senior revolving credit agreement"), (B) terminated its existing \$250 million term note credit agreement using loan proceeds drawn under the \$1.1 billion three-year senior revolving credit agreement, and (C) allowed its \$500 million 364-Day credit facility to expire and transferred existing letters of credit issued thereunder to the \$1.1 billion three-year senior revolving credit agreement.

iv. Prudential Transaction

On December 19, 2024, Wilton Re closed a transaction with Prudential Financial, Inc, ([NYSE: PRU](#)) to reinsure a portion of its guaranteed universal life block, effective October 1, 2024. Under the terms of the agreement, originally announced on August 20, 2024, Wilton Re reinsures approximately \$11 billion of reserves backing Prudential's guaranteed universal life policies. The reinsurance has been ceded to two Wilton Re legal entities, WREB and Wilton Reassurance Company, a Minnesota-domiciled reinsurer.

There are no other significant events during the reporting period to report.

## 2. Governance Structure

### a. Board and Senior Executives

The Company's business is managed under the supervision of its Board of Directors (the "Board"). The Board is comprised of the Chief Executive Officer ("CEO") and four outside directors. Three of the outside directors are also directors of Wilton Re Ltd., the ultimate controlling parent of the Company, two of whom are executives of Canada Pension Plan Investment Board ("CPPIB"), the majority shareholder of WRL. The third is also the Wilton Re Ltd. Chief Executive Officer and the fourth director is an independent non-executive director, Kiernan Bell, who was added in March 2023.

The Board is responsible for setting appropriate strategies and the oversight of the implementation of these strategies. The Board also is responsible for ensuring that Company management establishes a framework to implement the Company's strategic business objectives. The Board is responsible for providing suitable prudential oversight of the Company's risk management and internal controls framework, including any activities and functions which are delegated or outsourced. The Board is governed by the Company bye-laws and fulfills all the oversight responsibilities listed in Section 4.2 *Oversight Responsibilities of the Board* of the Bermuda Insurance Code of Conduct.

The Company employs nine Bermuda resident professionals: CEO, Chief Financial Officer ("CFO"), Chief Risk Officer ("CRO"), Chief Actuary, senior finance manager, three actuarial analysts, and in-house corporate counsel. The CEO is a qualified actuary with over 30 years of experience in the life insurance industry, over 25 of which are in the Bermuda jurisdiction. The CFO is a qualified chartered accountant with over 20 years of experience, over 18 of which are in the life insurance industry. The Chief Actuary is a qualified actuary with over 20 years of experience. The CRO is a qualified actuary with close to 20 years of relevant experience in the long-term insurance sector. The CEO, CFO, CRO, and Chief Actuary oversee the day-to-day management of the Company, and the CFO acts as the Company's principal representative in accordance with the Bermuda Insurance Act. The CEO, along with the Company's Board of Directors, are responsible for oversight of all aspects of the Company's operations. The group's Internal Audit Director is responsible for the Company's internal audit function. The CEO, CFO, Chief Actuary, and CRO fulfill all the responsibilities listed in Section 4.3 *Responsibility of the Chief and Senior Executives* of the Bermuda Insurance Code of Conduct. The in-house corporate counsel, a practicing Bermuda attorney, provides advice on compliance and Bermuda legal issues affecting the Company, and the actuarial associate provides pricing and valuation support.

For the Wilton Re group, the annual incentive compensation and the long-term incentive program are driven by the group's earnings and embedded value, as well as the accomplishment of qualitative goals that cascade from the enterprise level down to individual goals. The embedded value calculation takes actual experience into account, which encourages a risk-based focus on the origination of new deals and maintenance of closed deals.

### b. Fit and Proper Requirements

Executive employees are vetted by the Company Board and the parent company's Compensation Committee. The parent company periodically engages industry experts to conduct Board

performance assessments. Descriptions of the professional qualifications, skills and expertise of the Board and senior executive are as follows:

Sylvia Oliveira, chair and director, serves as the CEO of Wilton Reinsurance Bermuda Limited, where she is responsible for oversight of all aspects of the Wilton Re Bermuda operations. She also serves as the Group Chief Risk Officer, where she is responsible for the enterprise risk management of the Wilton Re group. She has 30 years of experience in the life insurance industry, including senior management, actuarial and investment roles at Chubb (ACE) Tempest Life Reinsurance Ltd, Annuity & Life Re, and John Hancock Mutual Life Insurance Company. Ms. Oliveira is also Chair and CEO Wilton Re Atlantic Limited (and its Bermuda domiciled parent companies), Wilton Re International Limited (and its Bermuda domiciled parent companies). She serves on the boards of Bermuda International Long Term Insurers and Reinsurers Association (BILTIR) and the Association of Bermuda International Companies (ABIC). She is a Fellow of the Society of Actuaries (FSA) and a CFA Charterholder, and she holds a B.A. and an M.A. in Mathematics, both from Boston University.

Michael Douglas, non-executive director, is Managing Director, Head of North American Real Estate at CPPIB. Mr. Douglas is responsible for the sourcing, execution and supervision of private equity investments in North America. He joined CPPIB in 2007. He previously worked at Ernst & Young Orenda Corporate Finance. He holds a Bachelor of Commerce degree from Queen's University and is a Chartered Financial Analyst (CFA). He currently serves on the boards of Ascend Learning, Waystar and Wilton Re Ltd. He previously served as a director at Acelity and LHP Hospital Group. In addition, he served on the Antares board as an observer. Mr. Douglas is a chair of the Wilton Re Ltd. Compensation Committee. He also served on the boards of Wilton Re Overseas Limited, Wilton Re Atlantic Limited (and its Bermuda domiciled parent companies), Wilton Re International Limited (and its Bermuda domiciled parent companies). Mr. Douglas resigned as a Director for all Bermuda entities in January 2025.

Thomas Kalvik, non-executive director, is Managing Director at CPPIB. Mr. Kalvik is responsible for direct private equity investments with a focus on financial services. He was previously a member of the firm's credit group. Prior to joining CPPIB in 2010, Mr. Kalvik worked at Goldman Sachs in New York in their Merchant Banking Division. Before that, he worked in Goldman Sachs' Investment Banking Division, where he was a part of their Financial Institutions Group. Mr. Kalvik holds a BA in Economics and Architecture from Yale University and an MBA from Harvard Business School. He is on the boards of Ascot Group and Wilton Re; and was previously a board observer of Antares Capital and Ports America. Mr. Kalvik is a member of the Wilton Re Ltd. Investment and Compensation Committees. He also serves on the boards of Wilton Re Atlantic Limited (and its Bermuda domiciled parent companies) and Wilton Re International Limited (and its Bermuda domiciled parent companies).

Dmitri Ponomarev is Chief Executive Officer of Wilton Re, and was previously Deputy CEO, Wilton Re U.S. His prior positions at Wilton Re include Senior Vice President of Business Development, and Vice President of New Business and Underwriting. Before joining Wilton Re in 2015, Mr. Ponomarev worked in the Financial Institutions Group of Investment Banking Division as well as Credit Risk Management and Rating Advisory at Goldman Sachs. Mr. Ponomarev holds an MBA, from New York University, Leonard N. Stern School of Business, and a BBA in Marketing from Cleveland State University.

Kiernan Bell, independent non-executive director, has over two decades experience as a commercial litigator with a leading global offshore law firm, with a particular focus on multi-jurisdictional disputes, corporate restructuring and corporate governance. Ms. Bell is a former managing partner of the Bermuda office of a global law firm, managing a team of ~350 people. She is past president of Bermuda Bar Council and member of statutory appeal tribunals, formerly serving as Chairman and Deputy Chairman of the Bermuda Immigration Appeals Tribunal. Ms. Bell has over 25 years of corporate governance experience, advising or serving on the Board of Directors of commercial and non-profit entities, including commercial banking and re-insurance entities. Ms. Bell is a former member of the Senate of Bermuda, she has served as the Vice President of the Senate, and currently she sits on various boards including Liberty Group Limited and Bermuda Electric Light Company Limited.

Perry Braun, non-executive director, replaced Mr. Douglas in January 2025. Mr. Braun was, until his retirement in January 2025, the Wilton Re Senior Vice President and Chief Investment Officer, a position he held for over 20 years. Prior to acting as the Chief Investment Officer of Wilton Re, Mr. Braun spent 17 years as an investment banker focused on the insurance industry, most recently as a managing director in the Financial Institutions Group at Bank of America Securities. Previously, Mr. Braun held positions at Credit Suisse First Boston, Donaldson, Lufkin & Jenrette and Goldman, Sachs & Co. Mr. Braun holds a B.A. in History from Yale University and a J.D. from Harvard Law School. Mr. Braun is responsible for the investment management activities of the company, including establishing the company's investment strategy and managing its investment managers. Mr. Braun serves as a Senior Advisor to Wilton Re Ltd.

Brendan Kemp, senior executive, serves as the Senior Vice President, CFO, and Principal Representative of Wilton Reinsurance Bermuda Limited. Prior to joining Wilton Re, Mr. Kemp has served as Chief Financial Officer and Principal Representative of Legal & General Reinsurance Company Ltd. He further acted as Chief Risk Officer of Legal & General during the initial build out of the company. Prior to Legal & General, Mr. Kemp was Vice President of Finance at Northstar Financial Services Bermuda Ltd. and held previous roles with PricewaterhouseCoopers and BDO. He has over 20 years of experience of which over 18 have been focused on the Bermuda life insurance industry. Mr. Kemp is a registered Chartered Accountant in Bermuda and South Africa. He holds a Bachelor of Commerce – Honors Theory of Accounting Science from the University of Pretoria. Mr. Kemp is also responsible for oversight of all financial aspects of the Wilton Re Bermuda operations.

James Roberts joined the Company as Chief Actuary and Chief Risk Officer in June 2023. He held both offices until February 2025, when he was replaced in the role of Chief Risk Officer, he remains the Company's Chief Actuary. Mr. Roberts has over 23 years of experience working with annuity products across both the pensions and life insurance industry. Mr. Roberts has held several senior actuarial roles within the life insurance and reinsurance industry. Before moving to the Company he was the Head of Group Actuarial Reporting at Monument Re, a Bermuda based run-off consolidator focused on the European insurance and reinsurance market. Prior to this he worked for Legal & General both in the UK and in Bermuda, whilst at Legal & General he held the role of Head of Actuarial Reporting in Bermuda and held roles within the balance sheet management team in the UK. Mr. Roberts is a Fellow of the Institute of Actuaries. He holds a BSc (Honors) in Mathematics from the University of York.

Nigel He joined in December 2024 as Chief Risk Officer of the Company. Mr. He has close to 20 years of experience in the life & annuity insurance and reinsurance industry. He has in-depth

knowledge in various regulatory frameworks, and has developed expertise in risk management, actuarial modeling, ALM, capital management, valuation, and financial reporting. Mr. He was formerly the Vice President Actuarial at Brookfield North End Re., overseeing the end-to-end valuation and EBS reporting process for the North End Re entities across Bermuda and Cayman. He previously served as a SME at Oliver Wyman regarding Bermuda's EBS framework, SBA modeling and BSCR. He also led the IFRS 17 transition and implementation for a Class-E insurer in Bermuda during 2021 and 2022. He is a Fellow of the Society of Actuaries (FSA), a Fellow of the Canadian Institute of Actuaries (FCIA) and a Chartered Enterprise Risk Analyst (CERA).

Shilpa Lakhani is Senior Vice President and Chief Investment Officer at Wilton Re. Prior to joining Wilton Re in 2025, Mrs. Lakhani spent 20 years as a fixed income institutional investor at DWS, primarily focused on managing general account assets for Insurance companies. In her most recent role, she was Head of Portfolio Management, Fixed Income Solutions. She holds a B.A. degree in Economics from Barnard College, Columbia University and is a Chartered Financial Analyst (CFA) Charterholder.

Kyle Chang is Vice President and Internal Audit Director of Wilton Re. Mr. Chang serves as the Chief Auditor for the Wilton Re group. Prior to joining Wilton Re, Mr. Chang spent twenty years focusing on operational and technology audits for life and P&C insurers including QBE North America, AXA Equitable, and Prudential Financial. Mr. Chang is a Certified Information System Auditor (CISA) and a Certified Internal Auditor (CIA). He began his career at Deloitte & Touche LLP. Mr. Chang holds Bachelor of Science and Masters of Business Administration degrees from New York University's Stern School of Business.

Brandon Melton is Chief Information Security Officer ("CISO") for Wilton Re. Previously, Mr. Melton has led various IT operational teams at USAA and Texas Farm Bureau Insurance. Mr. Melton has received CISSP certification from ISC2 and an MBA in Management of Technology from the University of Texas at San Antonio. Mr. Melton is responsible for leading IT cyber security strategy, compliance, and threat-risk management, including management of current and future IT security systems across the organization.

### **c. Risk Management and Solvency Self-Assessment**

The Company's risk management is governed as part of the overall Wilton Re group ("Wilton Re"). Risk management is an integral part of Wilton Re's business processes and decision-making. Wilton Re's risk management framework has a goal of maximizing its ability to achieve its business objectives by creating a systematic and disciplined approach to identifying, measuring, monitoring, and reporting on material risks.

Wilton Re is committed to maintaining a rigorous and comprehensive risk management framework that is embedded in all decision-making processes. Functional heads are responsible for day-to-day risk management activities, senior management and the Chief Risk Officer ("CRO") are responsible for facilitating sound risk management practices, and the board and audit functions are responsible for reviewing the effectiveness of the risk controls and risk management practices. The design and operating effectiveness of the framework are subject to review by internal audit, external independent audit, and our embedded value processes. Internal controls are thoroughly tested, and the key controls are currently subject to an independent validation in connection with Sarbanes-Oxley Section 404.



Risk management activities are embedded within Wilton Re's approach to diligence, risk acceptance, and capital deployment. Wilton Re's senior management and the WRL Board of Directors regularly review its risk profile to ensure its risk appetite is aligned with its business strategy and risk-return profile.

Wilton Re has established an Own Risk and Solvency Assessment ("ORSA") process, which prescribes regular assessments of its risk profile, the adequacy of its risk management framework, and assessments of its current and projected future solvency positions. Assessments of all material risks associated with its business plan, and the sufficiency of capital resources to support those risks, are conducted on a quarterly basis at a minimum. Management has established and maintains policies, procedures, and controls to appropriately manage and mitigate its material risks.

Wilton Re has documented its risk management policies and procedures in the Wilton Re Enterprise Risk Management ("ERM") Policy. This document demonstrates the Company's adherence to requirements and standards mandated in the Bermuda Insurance Code of Conduct's Risk Management section. The Wilton Re ERM Policy outlines the ERM framework, which includes the processes and polices for risk appetite and risk tolerances, risk identification and categorization, risk assessment, risk monitoring, risk management and risk reporting. The ERM Policy is reviewed by the WRL Board annually as part of the ORSA process. The ORSA process ensures that Wilton Re's ERM framework is adequate and appropriate for the group's size and complexity.

As part of the first phase of the ORSA process, Wilton Re establishes and maintains a Risk Appetite Statement that aligns with Wilton Re's business strategy. Using this Risk Appetite Statement as a guide, Wilton Re seeks and accepts exposures to certain risks in pursuit of its business objectives. Wilton Re is focused on core life insurance business, which leads to an appetite for mortality, longevity, morbidity, and lapse risk. Wilton Re also accepts exposure to credit risk, interest rate risk and the associated operational risks.

In the second phase of Wilton Re's ORSA process, Wilton Re's risk exposures are measured and assessed in accordance with the established ERM framework. In the third phase of the ORSA process, available capital is assessed relative to the capital required to meet its business objectives, given its current risk exposures. Capital adequacy is also assessed in the future and under stress scenarios. Each phase of the ORSA process provides output that feeds back into the other phases of the process. The nature of Wilton Re's efficient management structure allows for this feedback loop to function quickly and efficiently.

On a quarterly basis, the CRO prepares a risk report for WRL, which is approved by WRL senior executives and presented to the WRL Board. Each year, the results of the Wilton Re ORSA process are summarized into an ORSA Summary Report, which is provided to the Company Board for review and approval and is submitted to the Company's regulators as well as Wilton Re's group supervisor.

**d. Internal Controls**

Management of WREB is responsible for establishing and maintaining effective internal controls over financial reporting. The Board of Directors of the Company oversees corporate governance and internal controls. The Company's officers and senior management have approved, implemented and continue to maintain and monitor corporate governance and internal control

procedures. Internal controls are designed to provide reasonable assurance to the Company's management, Board of Directors and Investors regarding the reliability of financial reporting and the preparation of financial statements using accounting practices prescribed or permitted by BMA.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, based on criteria for effective internal control over financial reporting described in "Internal Control—Integrated Framework" issued by the 2013 Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Management concluded that the Company's internal control over financial reporting is effective as of December 31, 2024 in providing reasonable assurance regarding the reliability of financial reporting.

**e. Internal Audit**

The Company's internal audit function is managed by the group's Internal Audit Director with support for the Internal Audit department and oversight from the parent company's Audit Committee. The internal audit program addresses key financial, business and operational risks across the entire organization, including WREB, and the group's business partnerships. An annual risk assessment process is performed and documented as part of the development of each year's Audit Plan.

**f. Actuarial Function**

The Company CEO and Chief Actuary are qualified actuaries who oversee the main actuarial functions of the Company, with the exception of the Approved Actuary role. This role is outsourced to an internationally recognized actuarial consulting firm. The actuarial function is supported by an in-house actuarial staff of three actuarial analysts, plus affiliate and third-party actuarial service providers as needed. The Company ensures the fitness and propriety of any individuals performing the actuarial function.

**g. Outsourcing**

The Company relies on services performed by an affiliated company, Wilton Re Services, Inc., to support several functions, including investment management, premium processing, claims administration, financial reporting, information technology, internal controls, and other general administrative activities. Certain legal and IT services are outsourced externally within Bermuda. For functions outsourced either externally to third parties or internally to affiliated entities, the Company Board, CEO, CFO and Chief Actuary maintain oversight and accountability for all outsourced functions as if these functions were performed internally and subject to Company standards on governance and internal controls.

### 3. Risk Profile

The Company's pursuit of its business objectives in conjunction with its risk appetite produces certain key risk exposures. When assessing the Company's risk exposures, i.e. its risk profile, Wilton Re considers its business as a whole, and at an entity level. The material risks identified by Wilton Re are listed in the Wilton Re Risk Register. Each risk is assigned a risk owner, who is responsible for assessing the likelihood and impact scores for the risks based on a scale defined within the ERM Policy. Risk owners must also maintain a Risk Monitoring Inventory, which lists all of the periodic monitoring activities undertaken to monitor the likelihood and/or impact of each risk within the Risk Register. A log of Emerging Issues is also recorded in the Risk Register. The Emerging Issues Log serves as a risk radar for the Company to monitor trends and events in the environment that could impact the achievement of our objectives. Risk owners are required to review the Risk Register, the Risk Monitoring Inventory and the Emerging Issues Log for completeness and accuracy each quarter, and they must suggest additions, modifications or deletions when necessary. Each risk owner considers a list of targeted trigger questions when conducting their quarterly reviews.

Climate change is an important consideration in the Company's risk assessment. As part of the Company's mature ERM framework, climate change is considered as a risk factor by all risk owners in the assessment of their risks, especially in the assessment of investment, operational, compliance, and insurance risks. At a group level, Wilton Re has taken steps to integrate climate change into its governance structure by deeming a member of the Wilton Re Ltd board and a member of senior management as accountable for the assessment and management of climate change risks. The Wilton Re Climate Change Working Group was formed in December 2020, with the following goals: to integrate climate change into governance, ERM structure and decision-making; to assess impacts of various climate change for specific scenarios; and to agree on appropriate metrics and develop disclosure material in alignment with TCFD guidance.

Descriptions of the Company's key exposures and mitigating measures are provided below:

#### a. Insurance Underwriting Risk

The underwriting of insurance risks is a material risk to Wilton Re and to the Company. The primary risks in this category are mortality, longevity, morbidity and persistency risks. Wilton Re's expertise lies in the careful underwriting of these risks using robust models and well-vetted assumptions.

Wilton Re has processes, procedures and controls in place to mitigate its insurance risks. These include standardized pricing documentation, rigorous peer review, a robust due diligence process, a highly specialized and experienced team, a Risk Committee and Board review process, and a thorough treaty review with inclusion of protections to limit risks. Pricing assumptions are tested and validated through an annual embedded value review (both internal and external) and by embedded value sensitivity testing.

Catastrophic mortality risk (i.e. pandemic risk) is also covered within this risk category. This risk is mitigated by inuring reinsurance coverage and is monitored carefully. Even with mitigation, management understands and accepts that Wilton Re retains a material exposure to a severe pandemic.

**b. Investment, Liquidity and Concentration Risk**

The investment and liquidity of assets held to pay claims to policyholders is a material risk to Wilton Re and to the Company. Wilton Re's investment risk exposure is mitigated by its conservative investment strategy, adherence to investment policy limits, and rigorous monitoring activities. Wilton Re's investment portfolio consists primarily of bonds, policy loans, short-term securities and cash, with over 90% of all bond holdings at investment grade. Impairments have been modest in recent years. Investment risks, including concentration risk, are mitigated and controlled by compliance with the Wilton Re Investment Guidelines.

The Wilton Re Investment Guidelines were developed based on a "prudent person" principle, where Wilton Re only assumes investment risks that it can properly identify, measure, respond to, monitor, control, and report, while taking into consideration its capital requirements and adequacy, short-term and long-term liquidity requirements and policyholder obligations. Investment decisions are executed in the best interest of Wilton Re's policyholders.

Wilton Re maintains an appropriate level of liquidity in line with its risk profile. This degree of liquidity allows for unexpected cash needs to be met without forcing the potentially untimely sale of investments. Liquidity ratios are monitored and maintained well within acceptable limits.

**c. Market Risk**

Wilton Re is materially exposed to interest rate risk in two ways. First, sustained low interest rates exposes Wilton Re to spread compression risk on future reinvested assets. Second, interest-sensitive liabilities expose Wilton Re to rising interest rates and the related disintermediation risk.

In general, interest rate risks are monitored and managed under Wilton Re's Asset-Liability Management Policy. Other control activities include active involvement in credited rate determination of underlying reinsured policies, crediting rate strategy, and careful monitoring of lapse rates.

Exposure to equity risk from equity-linked products is fully hedged, and equity investments are limited by investment guidelines.

**d. Credit Risk**

Wilton Re is materially exposed to credit risk in two ways. First, Wilton Re is exposed to investment credit risk, which is addressed above in 3b. *Investment, Liquidity and Concentration Risk*. Second, Wilton Re is exposed to counterparty credit risk to its reinsurers and retrocessionaires, both directly and through inuring reinsurance on acquired blocks of business. This exposure is mitigated through diversification of reinsurance counterparties, careful due diligence and ongoing annual reviews of counterparty creditworthiness, and compliance with relevant controls.

**e. Operational Risk**

Various aspects of operational risks are considered material risks to Wilton Re and to the Company. Most operational risks, such as cybersecurity, fraud, business processing, outsourcing, and IT, are mitigated by our internal control system. These controls are tested regularly for compliance. The outsourcing of administrative processes is fundamental to Wilton Re's business model, and strong oversight is maintained over these processes through monthly reporting and monitoring of service level agreements and business operating guidelines.

The Board is satisfied that the operational controls in place with such service providers are adequate to mitigate the operational risks inherent in Wilton Re's business.

**f. Group Risk**

Each affiliate within the Wilton Re group is strongly capitalized, and the group is owned by a well-established AAA-rated parent. The Company is exposed to operational risks inherent in the services outsourced to affiliated companies. Refer to Operational Risk above for further details.

**g. Strategic Risk**

Strategic risk could impact Wilton Re's ability to establish and execute a sound business strategy. Wilton Re and the Company are exposed to strategic risk when considering a transaction involving new products or markets. This risk is mitigated by a business case process which addresses business potential, expected returns, counterparty, distribution methods, required investment, and impact to Wilton Re's processes and risks. Any changes in business strategy must be reviewed and approved by the Wilton Re Risk Committee, and the WRL Board and, where relevant, the WREB Board.

**h. Reputational Risk**

Reputational risk could occur due to actions by Wilton Re, including the Company or its employees, that damage Wilton Re's reputation, including any actual or perceived infraction. Reputational damage could prohibit new sales or lead to termination of existing contracts. To mitigate this risk, Wilton Re maintains transparency in working with its clients. Wilton Re also maintains strict hiring standards and a Code of Business Conduct and Ethics process. As part of the Code of Business Conduct and Ethics process, employees are reminded annually that integrity is the fundamental value at Wilton Re, and that Wilton Re's reputation and continued success is dependent upon the conduct of its associates. Each associate must annually reaffirm to adhere to the principles of the Code and its spirit of ethical conduct.

**i. Legal / Litigation Risk**

The Company currently has no pending or threatened material litigation. Wilton Re's compliance risk is mitigated by its internal control system. Wilton Re has processes and procedures in place to ensure monitoring of relevant rules and regulations. Wilton Re actively participates in several industry groups and committees to stay informed of proposed changes to rules and regulations, as well as to advocate for Wilton Re.

Litigation risk is mitigated by Wilton Re's experienced legal and compliance staff, supplemented with regular use of outside counsel. Legal associates are generally involved in all aspects of the Company's operations, and management is trained to seek legal department guidance on contract and other general and strategic operational matters.

**j. Stress Testing and Sensitivity Analysis**

Each year Wilton Re determines a series of stress tests specific to the group's risk profile. The stress testing is performed using an Embedded Value model. Sensitivities of Wilton Re's most material risk drivers are analyzed by testing the impact of driver movements on the group's Embedded Value. The results show that Wilton Re's main risk exposures are to severe market disruptions impacting asset defaults, interest rates and equity returns, and to adverse underwriting experience impacting mortality, longevity, lapse, and morbidity.

## 4. Solvency Valuation

The Company's solvency basis is the Bermuda Economic Balance Sheet ("EBS"), where all assets and liability values are calculated in accordance with the Bermuda EBS rules and regulations.

### a. Assets

All assets are held at fair market value.

### b. Technical Provisions

Technical provisions were derived using the Scenario Method described in the statutory accounting rules. The Company's technical provisions as of December 31, 2024 were as follows (in \$millions):

Best Estimate Liability	17,154.3
Risk Margin	<u>354.4</u>
Technical Provisions	17,508.7

### c. Reinsurance Recoverables

The Company has economic reinsurance recoverables of \$733 million at year-end 2024.

### d. Other Liabilities

The valuation basis used to derive the value of the deferred tax asset is US GAAP, with an adjustment to account for temporary differences in the economic balance sheet balances. The valuation basis used to derive the value of other liabilities is US GAAP.

## 5. Capital Management

### a. Eligible Capital

The Company assesses its capital adequacy in relation to its risk profile on a quarterly basis, and this capital assessment is well-integrated with the Company's strategic and capital management activities. As a planning tool, internal target risk capital is established for each Wilton Re operating company as the level of capital needed to achieve its business objectives, with consideration of the current risk profile and risk appetite. Generally, the internal Target Capital measure starts with regulatory capital requirements with an additional level of conservatism if deemed appropriate for its risk profile. The ORSA process validates the Company's Target Capital as appropriate given the Company's risk exposures. The Company examines rating agency capital and other regulatory measures to assess solvency and for comparison purposes. The Company calculates required capital amounts under NAIC RBC, AM Best BCAR and BSCR capital. The available capital is compared to these measures on a quarterly basis to monitor solvency and rating agency requirements. The goal of this analysis is to determine the Company's risk capital needs and to compare that risk capital to available capital to assess capital adequacy. The capital levels are analyzed with consideration of current business opportunities and risk profile, to inform management's decision-making regarding capital infusions or reductions. Liquidity needs vs. available liquidity, and potential capital and liquidity sources are also considered. This analysis is presented to WRL management and the WRL Board (which include the WREB Board members) each quarter.

Development of the Eligible Capital amount is shown below (in \$millions):

Fully paid common Shares plus Contributed surplus	806.4
Statutory economic surplus from Economic Balance Sheet	983.1
Less: Encumbered assets not securing policyholder obligations	(19.7)
Less: Excess encumbered assets transferred to Tier 2	(48.2)
Add: Capital adjustments approved by BMA	<u>(12.5)</u>
<b>Total Tier 1 Eligible Capital</b>	<b>1,709.1</b>
<b>Total Tier 2 Eligible Capital</b>	<b><u>48.2</u></b>
<b>Total Eligible Capital</b>	<b>1,757.3</b>

### b. Regulatory Capital Requirements

The Company is in compliance with the MSM and ECR requirements as of December 31, 2024. As of 2024YE, there are two separate transitional adjustments. The first transition corresponds to 10-year transition period between 2019YE and 2028YE. The second transition corresponds to the 10-year transition to changes in the lapse and expense-related insurance risk charges, which transition in linearly between 2024YE and 2033YE. The ECR below reflects the transitional amount, reflecting 40% of the 2018 regime, 54% (i.e., 60%\*90%) of the 2019 regime, and 6% (i.e., 60%\*10%) of the 2024 regime.

The amount of eligible capital exceeds all the minimum requirements shown below (in \$ millions):

Minimum Margin of Solvency (MSM)	377.0
Enhanced Capital Requirement (ECR)	717.1
Regulatory Target Capital (120% ECR)	860.5

The regulatory requirement states that at least 80% of the MSM requirement and 50% of the ECR requirement must be met with Tier 1 Eligible Capital, and no more than 25% of the MSM requirement or 50% of the ECR requirement can be met with Tier 2 Eligible Capital. The Company's eligible capital amounts meet these requirements.

**c. Approved Internal Models**

No internal models were used to derive the ECR.

## 6. Subsequent Events

In January 2025 Michael Douglas resigned from the Board of Directors of the Company and was replaced by Perry Braun. Also in January 2025, Mr. Braun retired as Chief Investment Officer from the Wilton Re Group of Companies and was replaced by Shilpa Lakhani as Chief Investment Officer for the Wilton Re Group and for the Company. In February 2025, Nigel He was appointed as Chief Risk Officer of the Company, replacing James Roberts. In April 2025, Mr. Wood retired as Chief Information Security Officer from the Wilton Re Group of Companies and was replaced by Brandon Melton as Chief Information Security Officer for the Wilton Re Group and for the Company. On January 20, 2025, the Company declared a dividend of \$50 million payable to its shareholders, WRL and Wilton Re US Holdings.

There are no other material subsequent events to report from the end of the reporting period through April 22, 2025, representing the date which this Report was filed.


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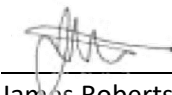


## 7. Declarations on Financial Condition Report

We have responsibility for the actuarial, risk management, internal audit and compliance functions of the Company. We declare that, to the best of our knowledge and belief, this financial condition report fairly represents the financial condition of the insurer in all material respects.

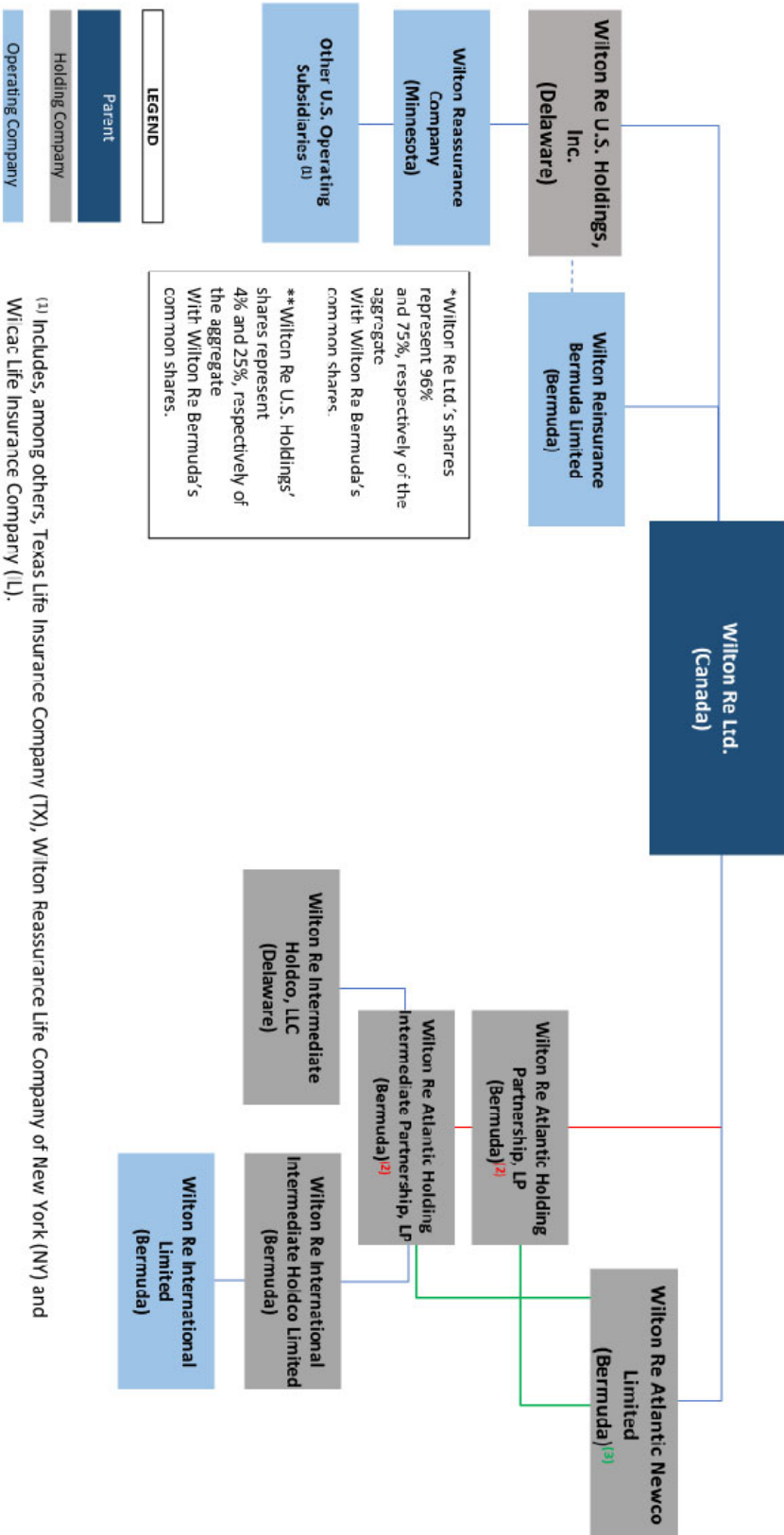
By:   
Name: Sylvia Oliveira  
Title: Chief Executive Officer, Group Chief Risk Officer

By:   
Name: Brendan Kemp  
Title: SVP, Chief Financial Officer and Principal Representative

By:   
Name: James Roberts  
Title: Chief Actuary

By:   
Name: Nigel He  
Title: Chief Risk Officer

**WILTON RE**  
Legal Entity Structure



(1) Includes, among others, Texas Life Insurance Company (TX), Wilton Reinsurance Life Company of New York (NY) and Wicac Life Insurance Company (L).

(2) Limited Partner interest

(3) General Partner interest

Exhibit 1

## WILTON REINSURANCE BERMUDA LIMITED

### Governance Structure

**Board of Directors**  
Sylvia Oliveira (Chair)  
Kiernan Bell (Independent)  
Thomas Kalvik  
Dmitri Ponomarev  
Perry Braun

### Senior Executive Team

<b>Sylvia Oliveira</b> <i>Chief Executive Officer</i>	<b>Shilpa Lakhani</b> <i>Chief Investment Officer</i>
<b>Brendan Kemp</b> <i>Chief Financial Officer, Principal Rep</i>	<b>Brandon Melton</b> <i>CISO</i>
<b>James Roberts</b> <i>Chief Actuary</i>	<b>Kyle Chang</b> <i>Director of Internal Audit</i>
<b>Nigel He</b> <i>Chief Risk Officer</i>	<b>Cathleen Manka</b> <i>Tax Officer</i>
<b>Laquita Lovell</b> <i>Corporate Secretary, Compliance Officer</i>	

**Finance**  
Travis Trott

**Actuarial**  
Dawnn Adeyemo  
Hanwei Li  
Taiyana Allen

**Administration**  
Toni Daniels