

Wilton Reinsurance Bermuda Limited and Subsidiary

Consolidated Financial Statements and
Supplementary Information as of and for the
Years Ended December 31, 2025 and 2024, and
Independent Auditor's Report

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of
Wilton Reinsurance Bermuda Limited:

Opinion

We have audited the consolidated financial statements of Wilton Reinsurance Bermuda Limited and Subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income (loss), changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Adoption of New Accounting Standard

As discussed in Note 2 to the financial statements, the Company has changed its method of accounting and presentation related to long-duration insurance contracts and certain related balances effective January 1, 2025, due to the adoption of Accounting Standards Update No. 2018-12, *Financial Services— Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts*, as amended, with a transition date of January 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the

Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte + Touche LLP

April 27, 2026

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2025 AND 2024

(Expressed in thousands of U.S. dollars, except share amounts)

	2025	2024
Assets		
Investments		
Fixed maturity securities available-for-sale, at fair value (amortized cost of \$6,398,421 and \$5,801,524; allowance for credit losses of \$194 and \$392)	\$ 5,536,037	\$ 5,407,312
Equity securities, at fair value (amortized cost of \$8,416 and \$11,885)	7,338	10,607
Policy loans	37,673	38,316
Funds withheld at interest (includes \$16,403,096 and \$16,124,360 at fair value)	17,377,314	17,147,749
Other invested assets (amortized cost of \$10,918 and \$10,812)	273,656	203,629
Short-term investments	230	—
Total investments	23,232,248	22,807,613
Cash and cash equivalents	510,942	484,416
Accrued investment income	56,533	54,320
Premiums receivable	12,731	14,541
Other reinsurance receivables	151,669	135,355
Net deferred acquisition costs	22,601	24,885
Value of business acquired	482,142	513,416
Net deferred income taxes	544,019	593,438
Other assets	648,265	486,635
Total assets	\$ 25,661,150	\$ 25,114,619
Liabilities and shareholder's equity		
Liabilities:		
Liabilities for future policy benefits	\$ 11,822,739	\$ 11,651,452
Interest sensitive contract liabilities	13,719,207	13,382,449
Other reinsurance liabilities	24,040	27,635
Other liabilities	53,046	81,063
Derivative liabilities	454,639	340,363
Total liabilities	26,073,671	25,482,962
Shareholders' equity:		
Class A-1 common shares (\$1.00 par value; 31,780 shares authorized, issued and outstanding at December 31, 2025 and 2024, respectively)	32	32
Class A-2 common shares (\$1.00 par value; 50,000 shares authorized, 10,594 issued and outstanding at December 31, 2025 and 2024, respectively)	11	11
Class B common shares (\$1.00 par value; 218,220 shares authorized, issued and outstanding at December 31, 2025 and 2024, respectively)	218	218
Additional paid-in capital	806,110	806,110
Accumulated other comprehensive income	343,263	633,193
Retained deficit	(1,562,155)	(1,807,907)
Total shareholders' deficit	(412,521)	(368,343)
Total liabilities and shareholders' equity	\$ 25,661,150	\$ 25,114,619

The accompanying notes are an integral part of these consolidated financial statements.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of U.S. dollars)

	2025	2024
Revenues		
Net premiums	\$ 99,805	\$ 115,048
Policy fees and charges—net	425,604	262,989
Inuring third-party reinsurance commissions	777	833
Investment earnings—net	1,109,656	975,318
Net change in unrealized gains on investments classified as other than available-for-sale	4,867	333
Change in value of derivatives and embedded derivatives—net	78,963	(811,307)
Total revenues	<u>1,719,672</u>	<u>543,214</u>
Benefits and expenses		
Claims and policy benefits	776,376	395,827
Policyholder liability remeasurement (gains) losses	(98,616)	33,446
Interest credited to interest sensitive contract liabilities	306,026	252,416
Acquisition and other insurance expenses	91,465	83,637
Operating expenses	36,750	35,731
Interest expense	229	741
Total benefits and expenses	<u>1,112,230</u>	<u>801,798</u>
Net income (loss) before income taxes and net earnings of equity method investee	607,442	(258,584)
Income tax expense (benefit)	126,690	(89,499)
Net income (loss) before net earnings of equity method investee	480,752	(169,085)
Share of net losses of equity method investee	—	(407)
Net income (loss)	<u>\$ 480,752</u>	<u>\$ (169,492)</u>
Other comprehensive income, net of tax		
Net unrealized investment losses	(61,870)	(231,884)
Change in current discount rate - liability for future policy benefits	(228,060)	399,560
Total other comprehensive (loss) income, net of tax	<u>\$ (289,930)</u>	<u>\$ 167,676</u>
Comprehensive income (loss)	<u>\$ 190,822</u>	<u>\$ (1,816)</u>

The accompanying notes are an integral part of these consolidated financial statements.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of U.S. dollars)

	2025	2024
Common Shares (Class A)		
Balance at beginning of year	—	250
Return of Capital	—	(250)
Balance at end of year	—	—
Common Shares (Class A-1)		
Balance at beginning and end of year	32	32
Common Shares (Class A-2)		
Balance at beginning and end of year	11	11
Common Shares (Class B)		
Balance at beginning and end of year	218	218
Additional Paid-in Capital		
Balance at beginning of year	806,110	1,066,440
Return of Capital	—	(260,330)
Balance at end of year	806,110	806,110
Accumulated Other Comprehensive Income		
Balance at beginning of year	633,193	23,963
Cumulative effect of change in accounting principles	—	441,554
Total other comprehensive (loss) income	(289,930)	167,676
Balance at end of year	343,263	633,193
Retained (Deficit) Earnings		
Balance at beginning of year	(1,807,907)	(1,817,066)
Cumulative effect of change in accounting principles	—	401,197
Dividends to shareholders	(235,000)	(222,546)
Net income (loss)	480,752	(169,492)
Balance at end of year	(1,562,155)	(1,807,907)
Total shareholders' deficit	\$ (412,521)	\$ (368,343)

The accompanying notes are an integral part of these consolidated financial statements.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of US dollars)

	2025	2024
Cash flows from operating activities		
Net income (loss)	\$ 480,752	\$ (169,492)
Adjustments to reconcile net income (loss) to net cash (used in) from operating activities		
Amortization/Accretion of net investment premium, discounts and other	(72,345)	(15,677)
Investment related realized losses - net	179	191
Investment related unrealized (gains) losses - net	(9,300)	21,331
Losses of equity method investee	—	407
Mark-to-market on derivatives and embedded derivatives	(307,515)	811,307
Amortization and other adjustments to deferred acquisition costs	2,284	2,450
Amortization and other adjustments to value of business acquired	31,274	32,998
Interest credited to interest sensitive contracts	305,940	249,101
Other reserve changes of interest sensitive contract liabilities	41,812	(34,005)
Losses on interest rate swaps	17,036	—
Paid-in-kind income	(3,467)	—
Cash and cash equivalents from closed block reinsurance	9,358	447,493
Change in assets and liabilities:		
Equity securities	3,463	406
Accrued investment income	(2,213)	(2,183)
Deferred income taxes	65,865	(83,276)
Premiums receivable	1,810	1,060
Other reinsurance receivables	107,341	(8,500)
Funds withheld at interest	(36,321)	9,659
Other assets	(473,649)	(37,166)
Liabilities for future policy benefits	(160,295)	(438,950)
Other reinsurance liabilities	(3,596)	(58,986)
Other liabilities	(979)	15,699
Net cash flows (used in) from operating activities	<u>\$ (2,566)</u>	<u>\$ 743,867</u>

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of US dollars)

	2025	2024
Cash flows from investing activities		
Sales, maturities and repayments of:		
Fixed maturity securities available-for-sale	\$ 277,242	\$ 408,709
Life settlement contracts	—	38,409
Other invested assets	21,708	—
Purchases of:		
Fixed maturity securities available-for-sale	(333,883)	(17,057)
Limited partnership interests	(2,982)	—
Other invested assets	(14,542)	—
Premiums paid on life settlement contracts	(15,347)	(18,285)
Distributions from equity method investee	—	1,500
Net proceeds from maturity of life settlement contracts	38,859	38,100
Change in policy loans	643	(1,298)
Change in short-term investments	(346)	—
Net cash flows (used in) from investing activities	<u>(28,648)</u>	<u>450,078</u>
Cash flows from financing activities:		
Return of capital	—	(260,580)
Swap collateral to counterparty	311,290	(311,290)
Dividends to shareholders on common stock	(235,000)	(222,546)
Settlement of interest rate swap activity	(28,892)	—
Paydown of secured borrowing	(3,505)	(4,261)
Deposits into interest sensitive contracts	380,333	129,293
Redemption and benefit payments on interest sensitive contracts	(366,486)	(325,971)
Net cash flows from (used in) financing activities	<u>57,740</u>	<u>(995,355)</u>
Increase cash and cash equivalents	26,526	198,590
Cash and cash equivalents - beginning of year	<u>484,416</u>	<u>285,827</u>
Cash and cash equivalents - end of year	<u>\$ 510,942</u>	<u>\$ 484,416</u>
Supplemental disclosure of cash flow information:		
Cash received (paid) during the year for income taxes	\$ 52	\$ (14,000)

The accompanying notes are an integral part of these consolidated financial statements.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of U.S. dollars, except share amounts)

1. ORGANIZATION

Wilton Reinsurance Bermuda Limited (WREB or the Company) is a subsidiary of Wilton Re Ltd. (95.9%) and Wilton Re U.S. Holdings, Inc. (4.1%) and was incorporated under the laws of Bermuda as a long term insurer on December 17, 2004. Wilton Re Ltd. (WRL) is the ultimate parent corporation in the Company's holding company structure.

Mills Creek LLC (Mills Creek), a wholly owned subsidiary of WREB, was formed on January 7, 2019, as a Delaware limited liability company authorized to issue 100 Common Units. On January 25, 2019, WREB contributed all of its right, title and interest in its direct investment life settlement contracts valued at \$240,376 in exchange for its 100 Common Units. On January 29, 2019, WREB sold 25 Common Units to SPC Opps Fund Holdings II, L.P., a Delaware limited partnership for an amount equal to 25% of WREB's investment in Mills Creek. WREB recorded the proceeds from the sale as a secured borrowing, included within other liabilities of the consolidated balance sheets. The balance of the secured borrowing is \$22,860 and \$26,365 at December 31, 2025 and 2024, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation and Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The accompanying consolidated financial statements include the accounts of WREB and its subsidiary. All significant intercompany accounts balances and transactions have been eliminated in consolidation.

Effective January 1, 2025, the Company adopted Accounting Standards Update (ASU) 2018-12, Financial Services—Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts, as amended (LDTI), with a transition date of January 1, 2024 (the Transition Date). Adoption of LDTI impacted the Company's accounting and presentation related to long-duration insurance contracts and certain related balances for the year ended December 31, 2024. Amounts within these consolidated financial statements which were previously presented, have been revised to conform with the current year accounting and presentation under LDTI. Disclosures as of the Transition Date are reflected below under *ASUs Adopted During the Year Ended December 31, 2025*.

Use of Estimates

The preparation of consolidated financial statements, as described above, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates include those used in determining liabilities for future policy benefits, other policy claims and benefits, income taxes, and the valuation of investments. While the amounts included in the consolidated financial statements reflect management's best estimates and assumptions, the actual results could be materially different from the amounts reported in the consolidated financial statements.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of U.S. dollars, except share amounts)

Investments and Investment Earnings:

Fixed Maturity and Equity Securities

Fixed maturity and equity securities include publicly-traded fixed maturity securities, preferred stocks, credit tenant loans, and private placements. Fixed maturity securities which are classified as available-for-sale (AFS) are reported at fair value with unrealized gains and losses, less applicable deferred income taxes, reported in other comprehensive income (OCI). The fair value of publicly-traded securities is based on quoted market prices or obtained from independent third-party dealers in the absence of quoted market prices. The fair value of private placements and credit tenant loans are obtained from third-party dealers or is modeled.

Investment transactions are recorded on a trade date basis. The Company's investment earnings are recognized when earned and consist primarily of interest and the accretion of discount or amortization of premium on fixed maturity securities. The amortized cost and effective yield of structured fixed maturity securities are adjusted as necessary to reflect historical prepayment experience and changes in estimated future prepayments. The adjustments to amortized cost are recorded as a charge or credit to investment earnings - net in accordance with the retrospective method. Investment earnings are presented net of investment management, investment accounting and custody expenses on the consolidated statements of comprehensive income (loss). Gains and losses realized on the sale of all investments are determined on the first in-first out method.

Allowance for Credit Losses and Impairments of AFS Fixed Maturity Securities

AFS fixed maturity securities whose fair value is less than their carrying amount are evaluated for potential credit losses.

If the Company intends to sell a security or it is more likely than not that it would be required to sell a security before the recovery of its amortized cost, less any recorded credit loss, it recognizes an impairment loss in investment earnings - net of the difference between amortized cost and fair value.

The Company identifies AFS fixed maturity securities for credit losses by monitoring credit rating and market events that could impact issuers' credit risk including the relevant industry business climate, management changes, litigation, government actions and other similar factors.

Credit impairments and changes in the allowance for credit losses on fixed maturity securities are reflected in net change in unrealized gains (losses) on investments classified as other than available-for-sale, while non-credit impairment losses are recognized in OCI.

The Company estimates the amount of the credit loss component of a fixed maturity security impairment as the difference between amortized cost and the present value of the expected cash flows of the security. The Company excludes accrued interest from the amortized cost and the present value of the expected cash flows of the security. The present value is determined using the best estimate cash flows discounted at the current yield used to recognize interest income. The techniques and assumptions for establishing the best estimate cash flows vary depending on the type of security. The asset-backed securities' cash flow estimates are based on security-specific facts and circumstances that may include collateral characteristics, expectations of delinquency and default rates, loss severity and prepayment speeds.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of U.S. dollars, except share amounts)

The Company writes off fixed maturity securities when facts and circumstances indicate that outstanding principal and interest is uncollectible.

Policy Loans

Policy loans are reported at the unpaid principal balance. Interest income on such loans is recorded as earned using the contractually agreed upon interest rates.

Funds Withheld at Interest

Funds withheld at interest represent amounts contractually withheld by the ceding company in accordance with modified coinsurance and coinsurance funds withheld reinsurance agreements (funds withheld). For agreements written on a funds withheld basis, assets generally equal to the statutory reserves, net of reinsurance, are withheld and legally owned by the ceding company. Fixed maturity investments associated with funds withheld are classified as both available-for-sale and trading and interest credited on funds withheld includes the interest income earned on these assets as defined by the treaty terms. The interest credited on funds withheld is a component of investment earnings - net in the consolidated statements of comprehensive income (loss).

Derivative Instruments

The Company utilizes derivative instruments consisting of cancellable interest rate swaps, primarily to manage or hedge, interest rate risk associated with its business. The Company does not invest in derivatives for speculative purposes. It is the Company's policy to enter into derivative contracts primarily with highly rated parties.

See Note 5 - *Derivative Instruments* for additional detail on the Company's derivative position.

The Company's derivatives have not been designated as hedging instruments under ASC 815, *Derivatives and Hedging* (ASC 815), and are recognized within derivative liabilities in the accompanying consolidated balance sheets at fair value. Although certain derivative instruments are subject to master netting arrangements, both fair value and collateral amounts associated with derivative instruments are recognized on a gross basis in the consolidated balance sheets. The change in fair value is recognized in the change in value of derivatives and embedded derivatives, net, in the consolidated statements of comprehensive income (loss).

Cash flows arising from derivative instruments are classified as financing.

Reinsurance treaties written on a funds withheld basis contain embedded features whereby returns on those funds withheld are based on certain investments and are not clearly and closely related to the economic characteristics and risks of the underlying reinsurance contract. In accordance with ASC 815, this embedded feature is considered a derivative instrument and is bifurcated from the host contract and accounted for separately.

These embedded derivatives in funds withheld contracts are total return swaps. Accordingly, the value of the derivative is equal to the unrealized gain or loss on the assets underlying the funds withheld portfolio associated with each agreement. The fair value of the embedded derivative is included in the funds withheld. The change in the fair value of the embedded derivatives is recorded in the change in

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of U.S. dollars, except share amounts)

value of derivatives and embedded derivatives, net, in the consolidated statements of comprehensive income (loss).

Certain universal life products contain features that link interest credited to an equity index. These features create an embedded derivative that is not clearly and closely related to the host insurance contract. The embedded derivative is carried at fair value with changes in the fair value recognized within interest credited to interest sensitive contract liabilities in the accompanying consolidated statements of comprehensive income (loss). The Company had no such embedded derivatives in 2025 or 2024.

Short-Term Investments

Short-term investments with maturities at acquisition of greater than three months but less than twelve months, are carried at amortized cost, which approximates fair value.

Other Invested Assets

Other invested assets include surplus debentures classified as AFS, investments in limited partnerships and limited liability corporations (limited partnerships), and life settlement contracts.

Limited Partnerships

Limited partnerships and limited liability corporations (limited partnerships) are accounted for using the equity method if the Company has more than a minor ownership interest, more than a minor influence over the investees' operations or if the limited partnership maintains separate capital accounts for their investors. The most recently available financial information provided by the general partner or manager of each of the investments is used, which is one to three months prior to the end of our reporting period. Changes in the value of limited partnerships are included in net unrealized gains (losses) on investments classified as trading and other in the consolidated statements of comprehensive loss. Income distributions from limited partnerships are included in investment earnings - net in the consolidated statements of comprehensive loss.

Surplus Debentures

Surplus debentures are similar to corporate securities, but are subordinated obligations of insurance companies and may be subject to restrictions by the insurance commissioners. Surplus debentures are considered fixed maturity securities which are classified as AFS and carried at fair value with unrealized gains and losses, less applicable deferred income taxes, reported in OCI.

Life Settlement Contracts—Direct Investment

The Company acquired the ownership and beneficiary rights of underlying life insurance policies through the acquisition of life settlement contracts from the owners of the life insurance contracts. The Company accounts for its investments in life settlement contracts using the fair value method. Under the fair value method, each life settlement contract is carried at its fair value at the end of each reporting period within other invested assets on the consolidated balance sheets. The change in fair value, life insurance proceeds received and periodic maintenance costs, such as premiums, necessary to keep the underlying policy in force, are recorded in the investment earnings—net in the consolidated statements of comprehensive income (loss).

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of U.S. dollars, except share amounts)

Life Settlement Contracts—Equity Method Investment

On September 25, 2024, the Company sold its 25% economic and voting interest in Leargas Fund I, LLC (the Leargas Fund), a life settlement fund managed by Leargas Capital LLC, a specialized mortality-linked investment manager, to Wilton Re Atlantic Newco Ltd, a sister entity of WREB, for \$38,500. Prior to the sale and with the ability to exercise significant influence over the Leargas Fund, this investment was accounted for under the equity method.

The Leargas Fund acquires the ownership and beneficiary rights of the underlying life insurance policies through the acquisition of life settlement contracts from the owners of life insurance policies. The carrying value of the Company's equity method investment in Leargas Fund was based on the net asset value of the fund, which was based on the fair value of the underlying life settlement contracts, in the absence of readily determinable fair value. Management's fair value estimates were based on information provided by the fund manager, using an actuarial model with mortality assumptions for the underlying policies.

Prior to the sale on September 25, 2024, the carrying value of the investment was \$38,409. Upon sale of the 25% economic and voting interest in the Leargas Fund to Wilton Re Atlantic Newco Ltd, a gain of \$91 was realized. Income from the investment, prior to the sale, presented in share of net earnings of equity method investees in the statements of comprehensive income (loss).

During 2024, the Company received distributions from the Leargas Fund of \$1,500.

Investment in Unsecured Senior B interest bearing Loan Notes

The Company received Senior B Notes in Niederkorn Adjacent Partners S.C.Sp. in December 2022 for the full conversion of its general and limited partnership interests in Niederkorn Adjacent Partners S.C.Sp and Niederkorn Adjacent Investments GP II S.a.r.l. As at September 2021, the general and limited partnership interests were written down to \$0, with the Company recognizing a loss of \$14,141 for the period ended December 31, 2021.

The Senior B Notes accrue interest at a rate of 5.00% per annum compounding annually. After eighteen months and at the end of each six-month period after such date, the interest rate is increased by 0.57% up to a maximum of 9.00% per annum. The Senior B Notes can be redeemed if certain conditions are met including a (i) change in control of the partnership or (ii) a planned cash distribution to the limited partners of the partnership, provided the partnership has settled all liabilities ranking senior to the Senior B Notes. No interest was recognized for the years ended December 31, 2025 or 2024, related to the Senior B Notes.

Consistent with the write down in 2021, the Company did not believe that the Senior B Notes carry any value based on the underlying financial position of the Niederkorn Adjacent Partners S.C.Sp. and the subordination of the Senior B Notes within the capital structure.

During 2025, the Company was approached by Niederkorn Adjacent Partners S.C.Sp. to sell its Senior B Notes for GBP 8,000 (USD: \$10,793), and the Company subsequently sold these notes in December 2025. The realized gain recognized from the sale was recorded as investment earnings - net in the accompanying consolidated statements of comprehensive income (loss).

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of U.S. dollars, except share amounts)

Cash and Cash Equivalents

The Company considers all investments purchased with a maturity at acquisition of three months or less to be cash equivalents.

Premiums Receivable

Premiums receivable is recognized when due and in accordance with information received from the ceding company. Under the legal right of offset provision in the reinsurance treaties, the Company can withhold payments for allowances and claims for unpaid premiums. Based on a review of these factors and historical experience, no allowance for credit loss was necessary as of December 31, 2025 or 2024. Included in the premiums receivable balance at December 31, 2025 and 2024, is \$12,070 and \$13,941, respectively, from affiliates.

Other Reinsurance Receivables and Liabilities

Other reinsurance receivables and liabilities primarily include reinsurance settlements not yet paid, but which generally settle quarterly. As of December 31, 2025, and 2024, other reinsurance receivables include reinsurance settlements due of \$149,690 and \$52,882, respectively, and other reinsurance liabilities include payables of \$204 and \$212, respectively. Other reinsurance liabilities also includes \$21,992 and \$25,346 of allowance for credit losses on inuring reinsurance at December 31, 2025 and 2024, respectively.

Net Deferred Acquisition Costs (DAC)

The costs that are directly related to the successful acquisition of new and renewal life insurance and reinsurance business have been deferred to the extent that such costs are deemed recoverable from future premiums or gross profits.

Deferred acquisition costs are amortized on a constant level basis over the expected term of the related contracts using the groupings and actuarial assumptions that are consistent with those used in estimating the related reserve for future policy benefits. The actuarial assumptions are updated annually, concurrently with any related assumption changes for the reserve for future policy benefits.

DAC associated with traditional life and universal life contracts are generally amortized in proportion to policy face amount. DAC associated with annuities, accident and health (including long-term care) are generally amortized in proportion to policy count. The current period DAC amortization reflects the impact of changes in actual insurance in force during the period and changes in future assumptions effected as of the end of reporting period, where applicable.

Amortization of DAC is included in acquisition and other insurance expenses in the accompanying consolidated statements of comprehensive income (loss).

LDTI simplified the amortization of DAC and other actuarial balances amortized in a manner similar to DAC, such as VOBA and unearned profit reserve for long-duration contracts. These balances were previously amortized in proportion to premiums, estimated gross profits, estimated gross margins or estimated gross revenues; however, these balances are now amortized on a constant level basis over the expected life of the related contracts. Impairment testing is not applicable to VOBA resulting from

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reinsurance transactions (as defined below in the Closed Block Reinsurance accounting policy) nor applicable to DAC.

Income Taxes

The income tax provision is calculated under the asset and liability method on those operations that are subject to income taxes. Deferred tax assets and liabilities result from temporary differences between the carrying amounts of assets and liabilities recorded in the consolidated financial statements and their respective tax bases. The effect on deferred tax assets and liabilities of a change in tax rates would be recognized in the consolidated statements of comprehensive income (loss) in the period in which the tax rate change is enacted. A valuation allowance for a portion or all of deferred tax assets is recorded as a reduction to deferred tax assets when it is more likely than not that such portion or all of such deferred tax assets will not be realized.

The Company assesses all significant tax positions to determine if a liability for an uncertain position is necessary and, if so, the impact on the current or deferred income tax balances. Also, if indicated, the Company recognizes interest or penalties related to income taxes as a component of the income tax provision.

Liabilities for Future Policy Benefits (LFPB)

The Company's liabilities for direct traditional life and life-contingent payout annuity and structured settlement contracts and reinsurance of traditional life, accident and health (including long-term care) and life-contingent payout annuity and structured settlement contracts are recognized as liabilities for future policy benefits. These LFPB are measured at a cohort level, utilizing the net premium ratio (NPR) approach. The applicable contracts are grouped into annual cohorts based on the issue year of a direct insurance contract or the effective year of an assumed reinsurance contract, with consideration to other factors such as product risk and reinsurance transaction characteristics.

The liability is accrued in proportion to the premium revenue recognized using the NPR. The NPR is determined by using the historical actual values and the present values of expected future benefits and claim settlement expenses for the cohort, divided by the historical actual values and present values of expected future gross premiums for the cohort. The NPR is capped at 100%. The expected future benefits and claim settlement expenses in excess of gross premiums are expensed immediately. When a cohort's present value of future net premiums exceeds the present value of future benefits, a "flooring" adjustment is required. The flooring adjustment ensures that the liability for future policy benefits for each cohort is not less than zero, and is reported in net income or OCI, depending on whether the flooring relates to the future policy benefits discounted at the locked-in discount rate versus the current upper-medium grade discount rate, respectively.

Cash flow assumptions, including mortality, morbidity, persistency, interest and expenses are included in the calculation of the NPR used to arrive at the amount of the reserve. These assumptions are dependent upon certain characteristics of the insurance contract, including the year the risk was assumed, age of the insured, and several other appropriate factors. For reinsurance assumed, such estimates are based primarily on historical experience provided by ceding companies with the exception of investment returns and expenses.

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The Company uses the original discount rate curve at contract inception (the locked-in rate) for purposes of the calculation of NPR. The Company updates the NPR retrospectively for actual experience on a quarterly basis, and updates cash flow assumptions at least annually (except for claim settlement expenses, which the Company has elected to lock in at inception). The updated NPR, for each respective cohort, is used to determine the retrospectively updated reserve for future policy benefits as of the beginning of the reporting period, discounted at the locked-in rate. The retrospective updates to the reserves are recognized in policyholder liability remeasurement (gains) losses in the accompanying consolidated statements of comprehensive income (loss).

Interest on the future policy benefits is accrued at the locked-in rate through net income. Interest accretion is recognized in claims and policy benefits – net of reinsurance ceded on the consolidated statements of comprehensive income (loss).

For limited-payment policies associated with traditional life insurance, life-contingent payout annuities, and structured settlements, a deferred profit liability (DPL) is established when gross premiums received are in excess of net premiums at initial recognition, and the insurance benefits extend beyond the period in which premiums are collected. The DPL is amortized in proportion to insurance in force for traditional life insurance and expected future benefits for annuity contracts. Interest accrues on the unamortized DPL balance using the locked-in rate and is recognized in claims and policy benefits – net of reinsurance ceded in the accompanying consolidated statements of comprehensive income (loss). The DPL is subject to the retrospective updates for actual experience and changes in cash flow assumptions, which are recognized in policyholder liability remeasurement gains or losses. DPL is presented within the reserve for future policy benefits in the accompanying consolidated balance sheets.

For interest sensitive insurance products such as universal life and deferred annuities, situations could arise where mortality profits are followed by mortality losses (PFBL). In these situations, a liability is established (referred to as “additional liabilities”), in addition to the account value recognized in interest sensitive contract liabilities, to recognize the portion of policy assessments that relate to benefits to be provided in the future. The calculation of these liabilities is based on management’s best estimates and assumptions regarding expected mortality, lapse, persistency, expenses and investment experience, which are reviewed quarterly and updated at least annually if necessary.

Liabilities for future policy benefits also include long-term care claim reserves established for continuing benefit payments, which are calculated using assumptions of anticipated mortality and claim continuance rates based on established industry tables adjusted for the Company’s historical experience. The Company also remeasures the long-term care claim reserve using a current single A discount rate at the end of each reporting period, with the effect recognized in OCI.

For non-participating traditional and limited-payment long-duration contracts, the Company will review and update, if necessary, assumptions used to measure cash flows for the LFPB during the fourth quarter of each year, or more frequently if evidence suggests assumptions should be revised. The change in the Company’s liability estimate as a result of updating cash flow assumptions is recognized in net income. Actual cash flows are grouped into issue year (or effective year of a reinsurance contract) cohorts for the liability calculation and updated quarterly. Cohorts are used as the unit of account for liability measurement. Discount rate assumptions are prescribed as the current upper-medium grade (low-credit-risk) fixed-income instrument yield. The discount rate is updated quarterly with the impact

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recognized in OCI. The provision for risk of adverse deviation is no longer applicable under LDTI, nor is premium deficiency, or loss recognition testing.

Measurement of the additional liabilities related to death (on universal life contracts) or other insurance benefits was impacted as LDTI negated the option to consider investment margins on assets supporting the additional liabilities. Any change in the additional liability due to the removal of investment margins on assets supporting the additional liabilities would be adopted under the full retrospective method. Also, because the amortization of unearned profit reserves is impacted by LDTI, the additional liability measurement is impacted as this amortization is included to measure the additional liability.

Liabilities are established for incurred but not reported (IBNR) claims. These liabilities are based on periodic analysis of the actual reporting lag between when a claim occurs and when it is reported to the Company.

Interest Sensitive Contract Liabilities

Liabilities for interest sensitive insurance products such as universal life and deferred annuities are established based on account values before applicable surrender charges. Liabilities for payout annuities without life contingencies are recorded at the present value of future benefits.

Premium deficiency testing is performed for interest sensitive contract liabilities periodically using best estimate assumptions as of the testing date. A premium deficiency exists if the net liabilities together with future gross premiums are determined to be insufficient to provide for expected future policy benefits and claim settlement expenses in the accompanying consolidated statements of comprehensive income (loss). When a deficiency exists, a premium deficiency reserve is established by a charge to claims and policy benefits. Premium deficiency testing considers, among other factors, anticipated investment income and does not include a provision for adverse deviation.

The Company also establishes a liability for universal life products related to unearned profit reserve and amortizes it on constant basis consistent with DAC.

Recognition of Revenue and Expenses

Assumed reinsurance and policy premiums related to traditional life products and long-duration accident and health contracts are recognized as revenue when due from the ceding companies and policyholders and are reported net of the cost of reinsurance ceded. Benefits and expenses are reported net of amounts related to reinsurance ceded and are associated with earned premiums so that profits are recognized over the life of the related contracts.

For each of its reinsurance contracts, the Company must determine whether the contract provides indemnification against loss or liability relating to insurance risk. The Company reviews all contractual features, particularly those that may limit the amount of insurance risk to which the Company is subject or features that delay the timely reimbursement of claims. If the Company determines that a contract does not expose it to a reasonable possibility of a significant loss from insurance risk, the Company records the contract under the deposit method of accounting with the net amount payable/receivable reflected in other reinsurance assets or liabilities on the consolidated balance sheets. Fees earned on

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these contracts are reflected as policy fees and charges, as opposed to premiums, on the consolidated statements of comprehensive income (loss).

For annuity and interest-sensitive life contracts, premiums collected are not reported as revenues, but as deposits to insurance liabilities. The Company recognizes revenues for these products over time in the form of investment income, policy charges for the cost of insurance, policy administration fees, and surrender fees that have been assessed against policy account balances during the period. Policy benefits and claims that are charged to expenses, include claims incurred in the period in excess of related policy account balances and interest credited to policy account balances.

Closed Block Reinsurance

Acquisitions by the Company of blocks of business in run off (i.e. where only existing policies will be renewed and new policies will not be sold), as either a reinsurance transaction or a stock purchase, are accounted for as reinsurance transactions. Results of operations only include the revenues and expenses from the effective date of acquisition of these blocks of business. The initial transfer of assets and liabilities is recorded in the consolidated balance sheets at the date of acquisition at fair value, except for the LFPB and value of business acquired (VOBA), which are recorded at management's best estimate. Future policy benefit liabilities are established based on the present value of benefits and maintenance expense minus the present value of valuation (or net) premiums.

VOBA represents the present value of future profits from the acquired contracts using the discount rate implicit in the pricing of such transactions. In establishing the VOBA, the Company considers costs which vary with and are primarily related to the acquisition to be part of the purchase price. Such costs include initial ceding allowances, advisory and legal fees, investment banking fees, and contractually obligated involuntary severance. Other costs incurred that are not contractually required, such as transition and conversion costs, financing costs, and severance are expensed as period costs. Such VOBA is amortized on a constant level basis that is consistent with deferred acquisition costs, and no recoverability test is required.

The net liability recorded (LFPB net of DAC and VOBA) represents management's best estimate of future cash flows. Such estimates are subject to refinement within one year of acquisition.

Reclassification – Additional liabilities

Prior to adoption of ASU 2018-12, the Company classified all additional liabilities within Interest sensitive contract liabilities. While the related account values for the applicable insurance products are classified in interest sensitive contract liabilities, the Company reclassified the additional liabilities to liabilities for future policy benefits. This is primarily due to the measurement principles and LDTI presentation requirements of the additional liabilities aligning with the LFPB. The Company reclassified \$895,437 of additional liabilities (including related unrealized gains and losses to additional liabilities) to liabilities for future policy benefits at the ASU 2018-12 transition date of January 1, 2024 (Transition Date).

Change in accounting principle – Additional liabilities

The Company updated measurement methodologies to certain cohorts related to additional liabilities to fully align with the applied measurement methodologies across the Company. These updates

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introduced the inclusion of unearned profit reserve amortization and the inclusion of certain ceded reinsurance cash flows on a net basis as part the additional liability measurement approach for the respective cohorts. The changes in measurement methodologies were recognized as a change in accounting principle separate from the adoption of LDTI and are reflected as a retrospective adjustment to opening retained earnings. Refer to Transition Impact - Adoption of ASU 2018-12 for details related to the financial impacts of the changes to accounting principles.

New Accounting Pronouncements

Changes to the accounting principles are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASUs) to the FASB Accounting Standards Codification. Accounting standard updates not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Company's consolidated financial statements.

ASUs Adopted During the Year Ended December 31, 2025.

ASU 2023-09, Income Tax (Topic 740): Improvements to Income Tax Disclosures - In December 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which enhances the transparency of income tax disclosures by requiring additional disaggregation in the rate reconciliation and income taxes paid by jurisdiction.

The Company adopted ASU 2023-09 for the year ended December 31, 2025. The adoption of this standard did not have a material impact on the Company's consolidated financial statements. The Company's income tax disclosures have been updated to comply with the new requirements.

ASU 2018-12, Financial Services - Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts - Effective January 1, 2025, the Company adopted ASU 2018-12, Financial Services-Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts, as amended by ASU 2019-09, Financial Services - Insurance (Topic 944): Effective Date; ASU 2020-11, Financial Services-Insurance (Topic 944): Effective Date and Early Application; and ASU 2022-05, Financial Services-Insurance (Topic 944): Transition for Sold Contracts, at the Transition Date.

The Company adopted LDTI under both the full retrospective approach and the modified retrospective approach. For direct contracts issued or reinsured contracts assumed prior to January 1, 2017, the Company applied the modified retrospective approach, which requires the Company to carry over the existing reserve (or other asset/liability) balance at the Transition Date and retain the same locked-in rate (based on expected investment returns at contract inception) for LFPB related to non-participating traditional and limited-payment long-duration contracts. For direct contracts issued or reinsured contracts assumed on January 1, 2017 and thereafter, the Company applied the full retrospective approach. The full retrospective approach requires the Company to apply actual historical information for issue year (or effective year of a reinsurance contract) cohorts for all periods beginning at the direct issuance or reinsurance assumption date; and the locked-in rate for LFPB related to non-participating traditional and limited-payment long-duration contracts will be modified to be based on an upper-medium grade fixed income corporate instrument yield (i.e., "single A") at contract inception. The Company's consolidated financial statements are presented under the new guidance for reporting periods beginning January 1, 2024.

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LDTI introduces market risk benefits (MRBs), which are contracts or contract features measured at fair value that provide protection to the policyholder from capital market risk and exposes the Company to other-than-nominal capital market risk. The Company has no product features that meet the definition of market risk benefits.

LDTI requires disaggregated rollforwards for the LFPB, additional liabilities, DAC and other actuarial balances amortized on a basis consistent with DAC (including VOBA and unearned profit reserve), and MRBs. Although the accounting for interest sensitive contract liabilities and separate account liabilities does not change under LDTI, the guidance requires disaggregated rollforwards for those balances. Further, for certain actuarial balances, disclosures are required for the significant inputs, judgments, assumptions and methods used in measurement, including changes in those inputs, judgments and assumptions, and the effect of those changes on measurement.

The following table presents the cumulative effect adjustments, before and after-tax, shown as increases (decreases) to the components of shareholders' equity due to the adoption of LDTI as of the Transition Date, by financial statement line item within the consolidated balance sheet. The table also presents the applicable balances as previously reported by the Company as of December 31, 2023, and the applicable balances after applying each adjustment:

LDTI transition Impact Shareholders' equity (impacted lines only)	Balance, December 31, 2023	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Shareholder's Equity Adjustment	Other Reclassification Adjustments (5)	Balance, January 1, 2024
Assets						
Net deferred acquisition costs (1)	\$ 24,725	\$ 2,610	\$ —	\$ 2,610	\$ —	\$ 27,335
Value of business acquired (2)	963,321	(416,907)	—	(416,907)	—	546,414
Liabilities						
Liabilities for future policy benefits (3)	11,276,071	(842,059)	(564,700)	(1,406,759)	895,437	10,764,749
Interest sensitive contract liabilities (4)	11,179,345	(100,803)	6,521	(94,281)	(895,437)	10,189,627
Total transition adjustment before taxes	<i>n/a</i>	528,565	558,179	1,086,743	—	<i>n/a</i>
Net deferred tax assets	791,708	(127,364)	(116,622)	(243,986)	—	547,722
Total transition adjustment (net of taxes)	<i>n/a</i>	401,201	441,557	842,757	—	<i>n/a</i>

- (1) LDTI transition impacts to the net deferred acquisition costs, which are detailed further below.
- (2) LDTI transition impacts to the value of business acquired, which are detailed further below.
- (3) LDTI transition impacts to the LFPB and the additional liabilities, which are each detailed separately further below.
- (4) LDTI transition impacts to the unearned profit reserves which are detailed further below, in addition to other insignificant adjustments at LDTI transition.
- (5) This reflects the reclassification of additional liabilities from Interest sensitive contract liabilities related to LFPB. Refer to Reclassification - Additional liabilities above for details.

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The following tables summarize the changes in DAC, VOBA and unearned profit reserve due to the adoption of LDTI:

DAC	Traditional Life
Balance, December 31, 2023	\$ 24,725
Cumulative effect of full retrospective adoption of LDTI (1)	<u>2,608</u>
Balance, January 1, 2024	<u>\$ 27,334</u>

- (1) The impact of the new measurement guidance is reflected as an adjustment to opening retaining earnings under full retrospective adoption of LDTI.

VOBA	Traditional Life	Universal Life	Total
Balance, December 31, 2023	\$ 11,944	\$ 951,377	\$ 963,321
Cumulative effect of full retrospective adoption of LDTI (1)	—	<u>(416,907)</u>	<u>(416,907)</u>
Balance, January 1, 2024	<u>\$ 11,944</u>	<u>\$ 534,470</u>	<u>\$ 546,414</u>

- (1) The impact of the new measurement guidance is reflected as an adjustment to opening retaining earnings under full retrospective adoption of LDTI.

Unearned profit reserve	Universal Life
Balance, December 31, 2023	\$ 246,929
Cumulative effect of full retrospective adoption of LDTI (1)	(95,649)
Cumulative effect of modified retrospective adoption of LDTI (2)	<u>6,521</u>
Balance, January 1, 2024	<u>\$ 157,801</u>

- (1) The impact of the new measurement guidance is reflected as an adjustment to opening retaining earnings under full retrospective adoption of LDTI.
(2) The impact of the new measurement guidance is reflected as an adjustment to opening retaining earnings under modified retrospective adoption of LDTI.

The following table summarizes the changes in LFPB due to the adoption of LDTI:

Liabilities for future policy benefits	Traditional Life	Payout Annuities & Structured Settlements	Disabled Income, Accident & Health, and Long Term Care	Other	Total
Balance, December 31, 2023	\$ 684,410	\$ 8,902,260	\$ 1,563,001	\$ 126,400	\$ 11,276,071
Cumulative effect of full retrospective adoption of LDTI (1)	(2,725)	(1,064,383)	48,990	(31,143)	(1,049,261)
Adjustment for loss contracts under the modified retrospective method (2)	20,302	12,783	—	—	33,085
Effect of remeasurement of liability at current discount rate under the full retrospective method (3)	(771)	(262,174)	(299,334)	—	(562,278)
Effect of remeasurement of liability at current discount rate under the modified retrospective method (3)	6,920	10	—	—	6,930
Balance, January 1, 2024	<u>\$ 708,135</u>	<u>\$ 7,588,496</u>	<u>\$ 1,312,658</u>	<u>\$ 95,257</u>	<u>\$ 9,704,546</u>

- (1) The impact of the new measurement guidance is reflected as an adjustment to opening retaining earnings under full retrospective adoption of LDTI.
(2) The impact of loss contracts (with net premiums in excess of gross premiums) is reflected as an adjustment to opening retaining earnings under modified retrospective adoption of LDTI.
(3) The remeasurement of the liability at the current discount rate is reflected as an adjustment to opening AOCI under both full retrospective and modified retrospective adoption of LDTI.

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As a result of updating cash flow assumptions and measuring the LFPB at transition for non-participating traditional and limited payment products, the impact of loss cohorts, those with net premiums in excess of gross premiums, and cohorts with negative reserves, was reflected as an adjustment to the opening balance of retained earnings upon adoption of LDTI in the amount of \$33,085.

The following table summarizes the changes in additional liabilities due to the adoption of LDTI:

Additional liabilities	Universal Life
Balance, December 31, 2023 (1)	895,437
Cumulative effect of full retrospective adoption of LDTI (2)	173,582
Adjustment for unrealized gains and losses in AOCI under the full retrospective method (3)	(9,358)
Cumulative effect of modified retrospective adoption of LDTI (4)	535
Adjustment for unrealized gains and losses in AOCI under the modified retrospective method (5)	7
Balance, January 1, 2024	<u>\$ 1,060,203</u>

- (1) The Company reclassified additional liabilities from Interest sensitive contract liabilities to LFPB, as part of LDTI transition. Refer to Reclassification - Additional liabilities above for details.
- (2) The impact of the new measurement guidance is reflected as an adjustment to opening retaining earnings under full retrospective adoption of LDTI.
- (3) The impact of the new measurement guidance as it relates to certain unrealized gains and losses in AOCI is reflected as an adjustment to opening AOCI under full retrospective adoption of LDTI.
- (4) The impact of the new measurement guidance is reflected as an adjustment to opening retaining earnings under modified retrospective adoption of LDTI.
- (5) The impact of the new measurement guidance as it relates to certain unrealized gains and losses in AOCI is reflected as an adjustment to opening AOCI under modified retrospective adoption of LDTI.

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The following table presents the effects of the retrospective application of the adoption of the new accounting principles to the Company's previously reported consolidated balance sheet as of December 31:

	2024		
	As Previously Reported	Adoption Adjustment	Post Adoption
Assets			
Net deferred acquisition costs	\$ 21,176	\$ 3,709	\$ 24,885
Value of business acquired	1,029,295	(515,879)	513,416
Net deferred income taxes	898,738	(305,300)	593,438
Total assets	<u>\$ 25,932,089</u>	<u>\$ (817,470)</u>	<u>\$ 25,114,619</u>
Liabilities			
Liabilities for future policy benefits	\$ 10,919,753	\$ 731,699	\$ 11,651,452
Interest sensitive contract liabilities	16,020,372	(2,637,923)	13,382,449
Total liabilities	27,389,186	(1,906,224)	25,482,962
Shareholders' Equity			
Retained deficit	(2,113,375)	305,468	(1,807,907)
Accumulated other comprehensive (loss) income	(150,093)	783,286	633,193
Total shareholders' deficit	<u>(1,457,097)</u>	<u>1,088,754</u>	<u>(368,343)</u>
Total liabilities and shareholders' equity	<u>\$ 25,932,089</u>	<u>\$ (817,470)</u>	<u>\$ 25,114,619</u>

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The following table presents the effects of the retrospective application of the adoption of the new accounting principles to the Company's previously reported consolidated statement of comprehensive income (loss) for the year ended December 31:

	2024		
	As Previously Reported	Adoption Adjustment	Post Adoption
Revenues			
Policy fees and charges - net	\$ 275,559	\$ (12,570)	\$ 262,989
Total revenues	555,784	(12,570)	543,214
Benefits and Expenses			
Claims and policy benefits	417,434	(21,607)	395,827
Policyholder liability remeasurement (gains) losses	—	33,446	33,446
Interest credited to interest sensitive contract liabilities	249,101	3,315	252,416
Acquisition and other insurance expenses	(14,234)	97,871	83,637
Total benefits and expenses	688,773	113,025	801,798
Net loss before income taxes and net earnings of equity method investee			
	(132,989)	(125,595)	(258,584)
Income tax benefit	(59,633)	(29,866)	(89,499)
Net loss before net earnings of equity method investee			
	(73,356)	(95,729)	(169,085)
Share of net earnings of equity method investee	(407)	—	(407)
Net loss			
	\$ (73,763)	\$ (95,729)	\$ (169,492)
Other comprehensive income, net of tax			
Net unrealized investment losses	(174,056)	(57,828)	(231,884)
Change in current discount rate - liability for future policy benefits	—	399,560	399,560
Total other comprehensive (loss) income, net of tax			
	\$ (174,056)	\$ 341,732	\$ 167,676
Total comprehensive (loss) income			
	\$ (247,819)	\$ 246,003	\$ (1,816)

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The following table presents the effects of the retrospective application of the adoption of the new accounting principles to the Company's previously reported consolidated statement of changes in shareholders' equity for the year ended December 31:

	2024		
	As Previously Reported	Adoption Adjustment	Post Adoption
Accumulated Other Comprehensive Income			
Cumulative effect of change in accounting principles	\$ —	\$ 441,554	\$ 441,554
Total other comprehensive (loss) income	(174,056)	341,732	167,676
Balance at end of year	(150,093)	783,286	633,193
Retained (Deficit) Earnings			
Cumulative effect of change in accounting principles	—	401,197	401,197
Net loss	(73,763)	(95,729)	(169,492)
Balance at end of year	(2,113,375)	305,468	(1,807,907)
Total shareholders' equity	<u>\$ (1,457,097)</u>	<u>\$ 1,088,754</u>	<u>\$ (368,343)</u>

The following table presents the effects of the retrospective application of the adoption of the new accounting principles to the Company's previously reported consolidated statement of cash flows for the year ended December 31:

	2024		
	As Previously Reported	Adoption Adjustment	Post Adoption
Cash flow from operating activities			
Net loss	\$ (73,763)	\$ (95,729)	\$ (169,492)
Amortization and other adjustments to deferred acquisition costs	3,549	(1,099)	2,450
Amortization and other adjustments to value of business acquired	39,904	(6,906)	32,998
Other reserve changes of interest sensitive contract liabilities	(134,121)	303,462	169,341
Deferred income taxes	(59,420)	(23,856)	(83,276)
Value of business acquired	(105,878)	105,878	—
Liabilities for future policy benefits	(360,549)	(281,747)	(642,296)
Other reinsurance liabilities	(69,007)	10,021	(58,986)
Other liabilities	25,722	(10,023)	15,699

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3. CLOSED BLOCK REINSURANCE

Effective October 1, 2024, WREB entered into a reinsurance agreement (PLAZ Reinsurance Agreement) with Pruco Life Insurance Company (PLAZ), to assume a block of secondary guarantee universal life insurance on a 100% coinsurance basis. The transaction closed on December 19, 2024. As of October 1, 2024 the block was comprised of 39,022 policies. PLAZ will retain responsibility for the administration of the block.

The initial balance sheet effect of the transaction was as follows:

Assets

Fixed maturity securities available-for-sale, at fair value	\$	4,500,866
Policy loans		9,980
Total investments		<u>4,510,846</u>
Cash and cash equivalents		447,493
Other reinsurance receivables		174,548
Other assets		<u>84,702</u>
Total assets	\$	<u><u>5,217,589</u></u>

Liabilities

Liabilities for future policy benefits	\$	2,161,830
Interest sensitive contract liabilities		2,971,057
Net deferred income taxes		<u>84,702</u>
Total liabilities	\$	<u><u>5,217,589</u></u>

The non-cash amounts summarized in the table above represent non-cash transactions that occurred during the year.

The Company entered into certain derivatives transactions to protect the block against declining interest rates which are discussed further in Note 5 - *Derivative Instruments*.

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4. INVESTMENTS

Fixed maturity and Equity Securities

The amortized cost, fair value and related gross unrealized gain and loss of fixed maturity and preferred stock investments as of December 31 are as follows:

	2025				
	Amortized Cost	Unrealized Gain	Unrealized Loss	Allowance for Credit Losses	Fair Value
Fixed maturities:					
U.S. Government and Agencies	\$ 1,627,453	\$ 2,565	\$ (263,965)	\$ —	\$ 1,366,053
State and political subdivisions	232,715	2,894	(8,021)	—	227,588
Foreign sovereign	57,067	77	(1,274)	—	55,870
Corporate securities	3,329,843	23,942	(153,299)	(1)	3,200,485
Residential mortgage-backed securities	248,798	1,970	(6,337)	—	244,431
Commercial mortgage-backed securities	285,763	3,109	(1,892)	(193)	286,787
Asset backed securities	171,972	3,871	(1,076)	—	174,767
Collateralized debt obligations	444,810	3,637	(11)	—	448,436
Other invested assets ¹	10,918	217	(304)	—	10,831
Total fixed maturities ²	6,409,339	42,282	(436,179)	(194)	6,015,248
Preferred stock	8,416	61	(1,139)	—	7,338
Total fixed maturity and equity securities	<u>\$ 6,417,755</u>	<u>\$ 42,343</u>	<u>\$ (437,318)</u>	<u>\$ (194)</u>	<u>\$ 6,022,586</u>

¹Includes surplus debentures and the debt portion of collateral loans included in other invested assets on the consolidated balance sheets

²Includes \$468,380 of non-cash collateral recorded in other assets and considered encumbered

	2024				
	Amortized Cost	Unrealized Gain	Unrealized Loss	Allowance for Credit Losses	Fair Value
Fixed maturities:					
U.S. Government and Agencies	\$ 1,466,131	\$ 13	\$ (190,893)	\$ —	\$ 1,275,251
State and political subdivisions	241,757	991	(9,435)	—	233,313
Foreign sovereign	82,411	—	(6,005)	—	76,406
Corporate securities	3,167,042	8,950	(191,339)	(89)	2,984,564
Residential mortgage-backed securities	180,944	787	(9,108)	—	172,623
Commercial mortgage-backed securities	201,423	1,319	(4,451)	(303)	197,988
Asset backed securities	84,233	3,930	(787)	—	87,376
Collateralized debt obligations	377,583	2,562	(354)	—	379,791
Other invested assets ¹	10,812	—	(492)	—	10,320
Total fixed maturities	5,812,336	18,552	(412,864)	(392)	5,417,632
Preferred stock	11,885	1	(1,279)	—	10,607
Total fixed maturity and equity securities	<u>\$ 5,824,221</u>	<u>\$ 18,553</u>	<u>\$ (414,143)</u>	<u>\$ (392)</u>	<u>\$ 5,428,239</u>

¹Includes surplus debentures and the debt portion of collateral loans included in other invested assets on the consolidated balance sheets

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The unrealized loss and fair values by investment category and by the duration of fixed maturity securities for which an allowance for credit loss has not been recorded and equity securities in a continuous unrealized loss position at December 31 are as follows:

	2025					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Fixed maturities:						
U.S. Government and Agencies	\$ 124,370	\$ (11,210)	\$ 1,134,522	\$ (252,755)	\$ 1,258,892	\$ (263,965)
State and political subdivisions	50,265	(1,124)	107,135	(6,897)	157,400	(8,021)
Foreign sovereign	14,573	(125)	27,593	(1,149)	42,166	(1,274)
Corporate securities	589,539	(17,678)	1,929,376	(135,586)	2,518,915	(153,264)
Residential mortgage-backed securities	71,201	(2,851)	38,230	(3,486)	109,431	(6,337)
Commercial mortgage-backed securities	24,909	(219)	12,120	(1,671)	37,029	(1,890)
Asset backed securities	43,110	(601)	16,276	(475)	59,386	(1,076)
Collateralized debt obligations	9,225	(11)	—	—	9,225	(11)
Other invested assets ¹	2,954	(30)	6,852	(274)	9,806	(304)
Total fixed maturities	930,146	(33,849)	3,272,104	(402,293)	4,202,250	(436,142)
Preferred stock	—	—	4,584	(1,139)	4,584	(1,139)
Total fixed maturity and equity securities	\$ 930,146	\$ (33,849)	\$ 3,276,688	\$ (403,432)	\$ 4,206,834	\$ (437,281)

¹Includes surplus debentures and the debt portion of collateral loans included in other invested assets on the consolidated balance sheets

	2024					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Fixed maturities:						
U.S. Government and Agencies	\$ 1,104,370	\$ (161,434)	\$ 168,528	\$ (29,459)	\$ 1,272,898	\$ (190,893)
State and political subdivisions	185,421	(9,435)	—	—	185,421	(9,435)
Foreign sovereign	76,406	(6,005)	—	—	76,406	(6,005)
Corporate securities	2,670,342	(189,250)	16,647	(2,089)	2,686,989	(191,339)
Residential mortgage-backed securities	146,742	(8,646)	6,083	(462)	152,825	(9,108)
Commercial mortgage-backed securities	69,982	(2,247)	13,277	(2,202)	83,259	(4,449)
Asset backed securities	25,814	(747)	1,111	(40)	26,925	(787)
Collateralized debt obligations	165,789	(354)	—	—	165,789	(354)
Other invested assets ¹	10,320	(492)	—	—	10,320	(492)
Total fixed maturities	4,455,186	(378,610)	205,646	(34,252)	4,660,832	(412,862)
Preferred stock	1,404	(69)	8,612	(1,210)	10,016	(1,279)
Total fixed maturity and equity securities	\$ 4,456,590	\$ (378,679)	\$ 214,258	\$ (35,462)	\$ 4,670,848	\$ (414,141)

¹Includes surplus debentures and the debt portion of collateral loans included in other invested assets on the consolidated balance sheets

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At December 31, 2025, 564 fixed maturity securities, for which an allowance for credit loss had not been recognized, with a total unrealized loss of \$402,292 had been in an unrealized loss position for twelve months or more. Of those securities in an unrealized loss position for twelve months or more, 6 securities had fair values below 70% of book value with a total unrealized loss of \$1,046. The Company does not expect to sell, and it is not more likely than not that the Company would be required to sell, the AFS securities displayed above for which it has not recognized an allowance for credit loss, as of the dates indicated. Unrealized losses are primarily driven by changes in risk-free interest rates and credit spreads.

At December 31, 2024, 38 fixed maturity securities, for which an allowance for credit loss had not been recognized, with a total unrealized loss of \$34,252 had been in an unrealized loss position for 12 months or more. Of those securities in an unrealized loss position for twelve months or more, 3 securities had fair values below 70% of book value with a total unrealized loss of \$378. The Company does not expect to sell, and it is not more likely than not that the Company would be required to sell, the AFS securities displayed above for which it has not recognized an allowance for credit loss, as of the dates indicated. Unrealized losses are primarily driven by changes in risk-free interest rates and credit spreads.

The following tables set for the activity in the allowance for credit losses for fixed maturity AFS securities, as of December 31:

	2025			2024		
	Corporate securities	Commercial mortgage-backed securities	Total	Corporate securities	Commercial mortgage-backed securities	Total
Balance, beginning of period	\$ (89)	\$ (303)	\$ (392)	\$ —	\$ (332)	\$ (332)
Additions to the allowance for credit loss not previously recorded	(1)	(37)	(38)	—	—	—
Reductions for securities sold during the period	—	8	8	—	—	—
(Additions) reductions on securities with an allowance for credit loss previously recorded	89	139	228	(89)	29	(60)
Balance, end of period	\$ (1)	\$ (193)	\$ (194)	\$ (89)	\$ (303)	\$ (392)

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Contractual maturities of the Company's fixed maturity securities as of December 31, 2025, are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or may have prepayment obligations with or without call or prepayment penalties.

	Amortized Cost	Fair Value
One year or less	\$ 12,607	\$ 12,478
One through five years	87,194	89,985
After five through ten years	297,697	308,790
After ten through twenty years	964,530	946,590
After twenty years	3,895,968	3,502,984
Residential mortgage-backed securities	248,798	244,431
Commercial mortgage-backed securities	285,763	286,787
Asset-backed securities	171,972	174,767
Collateralized debt obligations	444,810	448,436
Total fixed maturity securities	<u>\$ 6,409,339</u>	<u>\$ 6,015,248</u>

Credit ratings of the Company's fixed maturity securities as of December 31 are shown below. Ratings are assigned by Standard & Poor's Corporation, Moody's Investors Service or Fitch Ratings. The ratings assigned may not be accurate predictors of credit losses.

	2025		2024	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
AAA	\$ 261,352	\$ 260,526	\$ 262,083	\$ 258,901
AA	2,507,999	2,232,484	2,221,404	2,007,526
A	1,385,585	1,345,352	1,077,551	1,021,748
BBB	2,194,710	2,122,794	2,202,510	2,082,378
BB	55,313	50,527	44,980	42,672
B	2,528	2,688	3,808	4,039
CCC or lower and unrated	1,852	877	—	368
Total fixed maturities	<u>\$ 6,409,339</u>	<u>\$ 6,015,248</u>	<u>\$ 5,812,336</u>	<u>\$ 5,417,632</u>

The Company's largest five exposures by issuer as of December 31, 2025, were Corebridge Financial, Inc., Barclays PLC, Deutsche Telekom AG, Wells Fargo & Company, and McDonald's Corporation, each of which comprised less than 0.16%, and in aggregate comprise 0.71%, of total investments.

The Company's largest five exposures by issuer as of December 31, 2024, were Corebridge Financial, Inc., Barclays PLC, Deutsche Telekom AG, Wells Fargo & Company, and McDonald's Corporation, each of which comprised less than 0.16%, and in aggregate comprise 0.71%, of total investments.

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Investment Earnings—Net

Major sources and related amounts of investment earnings - net are as follows:

	2025	2024
Fixed maturity and equity securities	\$ 327,127	\$ 142,697
Policy loans	2,001	1,929
Funds withheld at interest	739,629	776,016
Short-term investments and cash and cash equivalents	19,905	14,217
Life settlements contracts	9,899	3,890
Other invested assets	9,231	1,177
Investment income	<u>1,107,792</u>	<u>939,926</u>
Investment expenses	(9,302)	(8,462)
Interest on secured borrowing	<u>(2,245)</u>	<u>(513)</u>
Investment income—net	1,096,245	930,951
Realized gains on fixed maturity securities classified as AFS	2,362	4,257
Realized gains on all other investments	10,972	133
Realized losses on fixed maturity securities classified as AFS	(2,419)	(4,469)
Realized losses on derivative instruments	(31,552)	—
Realized losses on all other investments	(131)	(22)
Net realized gains (losses) on funds withheld at interest	34,179	44,468
Investment earnings—net	<u>\$ 1,109,656</u>	<u>\$ 975,318</u>

The proceeds from sales of fixed maturities classified as AFS securities for the years ended December 31, 2025 and 2024, were \$114,802 and \$336,007, respectively.

Life Settlement Contracts—Direct Investment

The Company uses an actuarial model to estimate the aggregate face amount of life insurance that is expected to settle in each future year and the corresponding fair value. This model projects the likelihood of the insured's death for each inforce policy based upon the estimated mortality rates, which may vary due to the relatively small size of the portfolio of life settlement contracts. The number

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of life settlement contracts presented in the following table is based upon the average face amount of inforce policies estimated to settle in each future year:

	Number of Contracts	Face Amount of Policies	Fair Value
2026	1	\$ 1,250	\$ 1,019
2027	16	49,700	32,296
2028	22	44,422	23,767
2029	9	23,712	10,153
2030	8	30,636	11,628
Thereafter	15	34,332	9,508
Total	71	\$ 184,052	\$ 88,371

Policy Loans

Policy loans comprised approximately 0.2% and 0.2% of the Company's investments as of December 31, 2025 and 2024, respectively. These policy loans present minimal credit risk because the amount of the loan cannot exceed the obligation due the ceding company or the policyholder upon the death of the insured or surrender of the underlying policy. The provisions of the underlying policies determine the policy loan interest rates. Because policy loans represent premature distributions of policy liabilities, they have the effect of reducing future disintermediation risk. In addition, the Company earns a spread between the interest rate earned on policy loans and the interest rate credited to corresponding liabilities.

5. DERIVATIVE INSTRUMENTS

Accounting

See Note 2 – *Summary of Significant Accounting Policies* for additional details on the accounting treatment for derivative instruments, including embedded derivatives. See Note 18 – *Fair Value* for additional disclosures related to the fair value hierarchy for derivative instruments, including embedded derivatives.

Type of Derivative Instruments Used by the Company

Interest Rate Swaps

Interest rate swaps are used by the Company primarily to reduce market risks from changes in interest rates, to alter interest rate exposure arising from mismatches between assets and liabilities (duration mismatches) and to manage the risk of cash flows of liabilities that are variable based on a benchmark rate. With an interest rate swap, the Company agrees with another party to exchange, at specified intervals, the difference between two rates, which can be either fixed-rate or floating-rate interest amounts, tied to an agreed-upon notional amount. These transactions are executed pursuant to master

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netting agreements that provide for a single net payment or individual gross payments at each due date.

The Company completed a reinsurance transaction effective October 1, 2024 (the Reinsurance). To hedge the reinvestment risk from declining interest rates for assets supporting the reinsured liabilities within the Reinsurance, WRL entered into a series of cancellable interest rate swaps in August of 2024 in which it receives fixed and pays floating. The swaps were restructured in December of 2024 and concurrently novated to the Company. Upon restructuring, the Company reassessed whether the swaps should be accounted for as derivatives in their entirety. Since the swaps were priced on forward curves as of the initial date the swaps were entered into, there was substantial initial fair value when the swaps were restructured. Rather than bifurcating the swaps into a financing component and derivative, the Company elected the fair value option to ensure that the swaps are accounted for consistently with other interest rate swaps held by sister entities of its parent that achieve similar risk management objectives.

As of December 31, 2025, the program totals \$2,725,000 in notional amount, with Wells Fargo as the sole counterparty. During 2025, the Company unwound \$125,000 of notional amount and incurred breakage fees of \$11,856 which were reported in investment earnings - net in the consolidated statements of comprehensive income (loss). These derivative instruments are recognized within derivative liabilities in the accompanying consolidated balance sheets at fair value. As of December 31, 2025, the company posted invested assets of \$468,380 and no cash collateral related to the swaps.

As of December 31, 2024, the program totals \$2,850,000 in notional amount, with Wells Fargo as the sole counterparty. These derivative instruments are recognized within derivative liabilities in the accompanying consolidated balance sheets at fair value. As of December 31, 2024, the company posted invested assets of \$27,713 and cash collateral of \$311,290 related to the swaps.

The non-cash collateral is recorded on the consolidated balance sheet in other assets.

Embedded Derivatives

The Company has certain embedded derivatives that are required to be separated from their host contracts and reported as derivatives. Host contracts include reinsurance treaties structured on a funds withheld basis. Additionally, the Company insures or reinsures insurance products with benefits that are considered embedded derivatives. The changes in fair values of embedded derivatives on insurance products described below relate to changes in the fair value associated with capital markets and other related assumptions.

Summary of Derivative Positions

Freestanding derivatives are included in other invested assets or derivative liabilities, at fair value. Embedded derivative assets on funds withheld arrangements are included in the consolidated balance sheets with the host contract in funds withheld, at fair value. Embedded derivative liabilities on indexed products are included on the consolidated balance sheets with the host contract in interest sensitive contract liabilities, at fair value. The following table presents the notional amount and gross fair value

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of derivative instruments prior to taking into account the netting effects of master netting agreements as of December 31:

	Primary Underlying Risk	Notional Amount	2025		2024		
			Fair Value		Fair Value		
			Assets	Liabilities	Notional Amount	Assets	Liabilities
Derivatives not designated as hedging instruments:							
Cancellable Interest rate swaps	Interest rate	\$ 2,725,000	\$ —	\$ 454,639	\$ 2,850,000	\$ —	\$ 340,363
Embedded derivatives in:							
Funds withheld arrangements		—	(2,238,235)	—	—	(2,407,609)	—
Total derivatives		<u>\$ 2,725,000</u>	<u>\$ (2,238,235)</u>	<u>\$ 454,639</u>	<u>\$ 2,850,000</u>	<u>\$ (2,407,609)</u>	<u>\$ 340,363</u>

Derivatives Not Designated as Hedging Instruments

The Company uses derivative instruments for risk management purposes that either do not qualify or have not been elected for hedge accounting treatment. The gain or loss related to the change in fair value of these derivative instruments is recognized in change in value of derivatives and embedded derivatives – net, except where otherwise noted.

A summary of the effect of derivatives, including embedded derivatives, on the Company's consolidated statements of comprehensive income (loss) for the years ended December 31, 2025 and 2024, is as follows:

Derivatives not designated as hedging instruments	Location of Unrealized Gain (Loss) Recognized in Income	Amount of Unrealized Gain (Loss) Recognized in Income	
		2025	2024
Cancellable Interest rate swaps	Change in value of derivatives and embedded derivatives - net	\$ (114,276)	\$ (340,363)
Embedded derivatives in:			
Funds withheld arrangements	Change in value of derivatives and embedded derivatives - net	193,239	(470,944)
Total unrealized gain (loss)		<u>\$ 78,963</u>	<u>\$ (811,307)</u>
Derivatives not designated as hedging instruments	Location of Realized Gain (Loss) Recognized in Income	Amount of Realized Gain (Loss) Recognized in Income	
		2025	2024
Cancellable Interest rate swaps	Investment earnings - net	\$ (31,552)	\$ —

6. CONCENTRATION OF CREDIT RISK

As of December 31, 2025 and 2024, substantially all the Company's cash and cash equivalents were held in seven financial institutions that the Company considers to be of high quality.

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7. FUNDS WITHHELD AT INTEREST

Funds withheld at interest comprised approximately 74.8% and 75.2% of the Company's total investments as of December 31, 2025 and 2024, respectively. The risk of loss to the Company due to the insolvency of a ceding company is mitigated by the Company's contractual right to offset amounts it owes the ceding company for claims or allowances with amounts owed to the Company from the ceding company. Interest generally accrues on these assets based upon the investment earnings on the underlying investments. The Company is subject to the investment performance on the funds withheld assets in a fashion similar to its invested assets.

The funds withheld at interest balances on the consolidated balance sheets are comprised of the following at December 31:

Affiliated Ceding Company	2025	2024
Segregated portfolio of assets—general account	\$ 12,378,516	\$ 12,381,676
Segregated portfolio of assets—separate account	4,309,428	4,018,773
Non-segregated portfolio of assets	395,851	418,483
Funds withheld at interest —affiliated	<u>17,083,795</u>	<u>16,818,932</u>
Unaffiliated Ceding Company		
Segregated portfolio of assets—general account	296,020	329,449
Non-segregated portfolio of assets	(2,501)	(632)
Funds withheld at interest —unaffiliated	<u>293,519</u>	<u>328,817</u>
Total funds withheld at interest	<u>\$ 17,377,314</u>	<u>\$ 17,147,749</u>

The disclosures that follow are for the segregated portfolio—general account only, both affiliated and unaffiliated, and exclude commercial mortgage loans, short term investments, cash and other invested assets, with the exception of surplus debentures and debt portion of collateral loans, of \$1,330,276 and \$1,452,313 as of December 31, 2025 and 2024, respectively. The segregated portfolio-separate account is supported by assets with specific underlying investment objectives and are in accounts legally segregated from the single ceding company for which the policyholder has assumed substantially all the risk and reward. The non-segregated portfolio is supported by a proportionate share of the assets held by the ceding company.

As noted in Note 2 - *Summary of Significant Accounting Policies*, investments are withheld by ceding companies in accordance with the reinsurance agreements, with the Company recording funds withheld balances on the consolidated balance sheet representing such interest. The following

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disclosures represent the composition of such investments in the segregated portfolio - general account held by the ceding companies for the periods presented:

At December 31, 2025	Amortized Cost	Unrealized Gain	Unrealized Loss	Allowance for Credit Losses	Fair Value
Fixed maturities:					
Available-for-sale:					
U.S. Government and Agencies	\$ 1,663,313	\$ 648	\$ (299,392)	\$ —	\$ 1,364,569
State and political subdivisions	465,133	8,846	(7,295)	—	466,684
Foreign sovereign	12,953	223	(808)	—	12,368
Corporate securities	6,712,235	215,354	(88,955)	(1,691)	6,836,943
Residential mortgage-backed securities	269,947	4,143	(6,294)	(1,142)	266,654
Commercial mortgage-backed securities	182,887	7,206	(4,459)	(1,168)	184,466
Asset backed securities	546,693	9,702	(7,500)	(958)	547,937
Collateralized debt obligations	246,285	30,441	(1,868)	(117)	274,741
Other invested assets ¹	409,862	14,417	(3,476)	(82)	420,721
Total available-for-sale	10,509,308	290,980	(420,047)	(5,158)	10,375,083
Trading:					
U.S. Government and Agencies	\$ 101,783	\$ 233	\$ (18,528)	\$ —	\$ 83,488
State and political subdivisions	31,738	349	(1,415)	—	30,672
Foreign sovereign	2,973	—	(519)	—	2,454
Corporate securities	537,118	4,275	(40,670)	—	500,723
Residential mortgage-backed securities	96,356	1,228	(6,060)	—	91,524
Commercial mortgage-backed securities	57,357	230	(4,006)	—	53,581
Asset backed securities	41,597	212	(1,697)	—	40,112
Collateralized debt obligations	13,436	7	(110)	—	13,333
Other invested assets ¹	18,808	147	(2,467)	—	16,488
Total trading	901,166	6,681	(75,472)	—	832,375
Total fixed maturities	11,410,474	297,661	(495,519)	(5,158)	11,207,458
Preferred stock	163,081	443	(26,726)	—	136,798
Common stock	3	1	—	—	4
Total fixed maturity and equity securities	\$ 11,573,558	\$ 298,105	\$ (522,245)	\$ (5,158)	\$ 11,344,260

¹Includes surplus debentures and the debt portion of collateral loans included in other invested assets on the consolidated balance sheets

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At December 31, 2024	Amortized Cost	Unrealized Gain	Unrealized Loss	Allowance for Credit Losses	Fair Value
Fixed maturities:					
Available-for-sale:					
U.S. Government and Agencies	\$ 1,579,980	\$ 8	\$ (270,440)	\$ —	\$ 1,309,548
State and political subdivisions	510,254	6,152	(11,090)	—	505,316
Foreign sovereign	14,178	57	(1,186)	—	13,049
Corporate securities	6,656,984	119,220	(131,482)	(7,644)	6,637,078
Residential mortgage-backed securities	186,373	184	(12,233)	(991)	173,333
Commercial mortgage-backed securities	218,141	1,390	(7,626)	(1,010)	210,895
Asset backed securities	589,186	16,316	(9,709)	(1,054)	594,739
Collateralized debt obligations	358,171	43,472	(1,012)	—	400,631
Other invested assets ¹	419,136	3,796	(5,647)	(153)	417,132
Total available-for-sale	10,532,403	190,595	(450,425)	(10,852)	10,261,721
Trading:					
U.S. government and agencies	\$ 100,797	\$ 71	\$ (20,995)	\$ —	\$ 79,873
State and political subdivisions	26,360	118	(2,154)	—	24,324
Foreign sovereign	2,968	—	(642)	—	2,326
Corporate securities	580,809	2,094	(56,746)	—	526,157
Residential mortgage-backed securities	87,767	206	(8,553)	—	79,420
Commercial mortgage-backed securities	64,264	120	(5,981)	—	58,403
Asset-backed securities	38,546	149	(2,473)	—	36,222
Collateralized debt obligations	23,832	28	(292)	—	23,568
Other invested assets ¹	18,213	—	(3,152)	—	15,061
Total trading	943,556	2,786	(100,988)	—	845,354
Total fixed maturities	11,475,959	193,381	(551,413)	(10,852)	11,107,075
Preferred stock	176,761	812	(25,838)	—	151,735
Common stock	—	2	—	—	2
Total fixed maturity and equity securities	\$ 11,652,720	\$ 194,195	\$ (577,251)	\$ (10,852)	\$ 11,258,812

¹Includes surplus debentures and the debt portion of collateral loans included in other invested assets on the consolidated balance sheets

The unrealized loss and fair values by investment category and by duration of fixed maturity securities for which an allowance for credit loss has not been recorded and equity securities in a continuous

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unrealized loss position of the segregated portfolio—general account assets supporting funds withheld at interest at December 31 are as follows:

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
At December 31, 2025						
Fixed maturities:						
Available-for-sale:						
U.S. Government and Agencies	\$ 32,498	\$ (731)	\$ 1,302,654	\$ (298,661)	\$ 1,335,152	\$ (299,392)
State and political subdivisions	160,041	(3,185)	53,065	(4,110)	213,106	(7,295)
Foreign sovereign	—	—	8,848	(808)	8,848	(808)
Corporate securities	1,653,243	(39,119)	745,112	(45,109)	2,398,355	(84,228)
Residential mortgage-backed securities	79,419	(1,506)	60,184	(4,426)	139,603	(5,932)
Commercial mortgage-backed securities	60,854	(1,471)	17,576	(1,838)	78,430	(3,309)
Asset backed securities	180,436	(2,327)	85,252	(4,730)	265,688	(7,057)
Collateralized debt obligations	44,276	(737)	4,950	(1,131)	49,226	(1,868)
Other invested assets ¹	102,849	(1,192)	66,208	(2,121)	169,057	(3,313)
Total available-for-sale	2,313,616	(50,268)	2,343,849	(362,934)	4,657,465	(413,202)
Trading:						
U.S. Government and Agencies	\$ 5,433	\$ (249)	\$ 68,824	\$ (18,279)	\$ 74,257	\$ (18,528)
State and political subdivisions	4,427	(60)	11,427	(1,355)	15,854	(1,415)
Foreign sovereign	—	—	2,454	(519)	2,454	(519)
Corporate securities	48,232	(1,277)	341,265	(39,393)	389,497	(40,670)
Residential mortgage-backed securities	9,826	(110)	40,378	(5,950)	50,204	(6,060)
Commercial mortgage-backed securities	2,353	(20)	39,196	(3,986)	41,549	(4,006)
Asset backed securities	980	—	25,786	(1,697)	26,766	(1,697)
Collateralized debt obligations	1,248	(6)	6,734	(104)	7,982	(110)
Other invested assets ¹	—	—	13,250	(2,467)	13,250	(2,467)
Total trading	72,499	(1,722)	549,314	(73,750)	621,813	(75,472)
Total fixed maturities	2,386,115	(51,990)	2,893,163	(436,684)	5,279,278	(488,674)
Preferred stock	10,925	(114)	105,266	(26,612)	116,191	(26,726)
Common stock	—	—	—	—	—	—
Total fixed maturity and equity securities	<u>\$ 2,397,040</u>	<u>\$ (52,104)</u>	<u>\$ 2,998,429</u>	<u>\$ (463,296)</u>	<u>\$ 5,395,469</u>	<u>\$ (515,400)</u>

¹Includes surplus debentures and the debt portion of collateral loans included in other invested assets on the consolidated balance sheets

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	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
At December 31, 2024						
Fixed maturities:						
Available-for-sale:						
U.S. Government and Agencies	\$ 517,482	\$ (83,647)	\$ 790,910	\$ (186,793)	\$ 1,308,392	\$ (270,440)
State and political subdivisions	260,642	(10,515)	5,420	(575)	266,062	(11,090)
Foreign sovereign	8,472	(636)	3,460	(550)	11,932	(1,186)
Corporate securities	3,138,216	(113,931)	126,635	(11,838)	3,264,851	(125,769)
Residential mortgage-backed securities	145,908	(9,582)	13,287	(1,935)	159,195	(11,517)
Commercial mortgage-backed securities	90,956	(3,472)	51,807	(4,153)	142,763	(7,625)
Asset backed securities	186,933	(6,517)	43,867	(2,955)	230,800	(9,472)
Collateralized debt obligations	13,165	(812)	3,250	(200)	16,415	(1,012)
Other invested assets ¹	192,537	(5,415)	33,205	(232)	225,742	(5,647)
Total available-for-sale	4,554,311	(234,527)	1,071,841	(209,231)	5,626,152	(443,758)
Trading:						
U.S. government and agencies	\$ 8,123	\$ (102)	\$ 65,851	\$ (20,893)	\$ 73,974	\$ (20,995)
State and political subdivisions	7,834	(185)	14,474	(1,969)	22,308	(2,154)
Foreign sovereign	—	—	2,326	(642)	2,326	(642)
Corporate securities	88,424	(3,214)	378,519	(53,532)	466,943	(56,746)
Residential mortgage-backed securities	22,382	(514)	47,305	(8,039)	69,687	(8,553)
Commercial mortgage-backed securities	5,058	(120)	45,132	(5,861)	50,190	(5,981)
Asset-backed securities	1,232	(14)	26,871	(2,459)	28,103	(2,473)
Collateralized debt obligations	—	—	10,755	(292)	10,755	(292)
Other invested assets ¹	1,607	(45)	13,455	(3,107)	15,062	(3,152)
Total trading	134,660	(4,194)	604,688	(96,794)	739,348	(100,988)
Total fixed maturities	4,688,971	(238,721)	1,676,529	(306,025)	6,365,500	(544,746)
Preferred stock	10,443	(160)	121,580	(25,678)	132,023	(25,838)
Common stock	—	—	—	—	—	—
Total fixed maturity and equity securities	\$ 4,699,414	\$ (238,881)	\$ 1,798,109	\$ (331,703)	\$ 6,497,523	\$ (570,584)

¹Includes surplus debentures and the debt portion of collateral loans included in other invested assets on the consolidated balance sheets

At December 31, 2025, 873 fixed-maturity investments with a total unrealized loss of \$436,683 had been in an unrealized loss position for twelve months or more. Of those securities in an unrealized loss position for twelve months or more, 77 securities were below 70% of book value with an unrealized loss of \$19,919.

At December 31, 2024, 876 fixed-maturity investments with a total unrealized loss of \$306,025 had been in an unrealized loss position for twelve months or more. Of those securities in an unrealized loss position for twelve months or more, 101 securities were below 70% of book value with an unrealized loss of \$25,728.

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The contractual maturities of the segregated portfolio—general account’s fixed maturity securities supporting funds withheld at interest as of December 31, 2025, are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	<u>Amortized Cost</u>	<u>Fair Value</u>
0 to 1 Year	\$ 89,420	\$ 89,131
1 to 5 years	712,256	721,792
5 to 10 years	956,510	991,308
10 to 20 years	3,304,818	3,371,088
> 20 years	4,892,912	4,561,791
Residential mortgage-backed securities	366,303	358,178
Commercial mortgage-backed securities	240,244	238,047
Asset-backed securities	588,290	588,049
Collateralized debt obligations	259,721	288,074
Total fixed maturities	<u>\$ 11,410,474</u>	<u>\$ 11,207,458</u>

Commercial Mortgage Loans

Commercial mortgage loans (CMLs) represented approximately 3.6% and 3.8% of the Company’s segregated portfolio of assets—general account supporting the funds withheld at interest as of December 31, 2025 and 2024, respectively. The amortized cost, fair value and the related gross unrealized gain (loss) are as follows:

	<u>Amortized Cost</u>	<u>Unrealized Gain</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>
December 31, 2025	\$ 464,570	\$ —	\$ (25,101)	\$ 439,469
December 31, 2024	\$ 510,908	\$ —	\$ (40,286)	\$ 470,622

The unrealized loss and fair values by the duration of the CMLs in a continuous unrealized loss position are as follows:

	<u>Less than 12 Months</u>		<u>12 Months or More</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>
December 31, 2025	\$ 11,022	\$ (14)	\$ 428,448	\$ (25,087)	\$ 439,470	\$ (25,101)
December 31, 2024	\$ 13,518	\$ (74)	\$ 457,104	\$ (40,212)	\$ 470,622	\$ (40,286)

No valuation allowances were recorded in 2025 or 2024.

The CML portfolio of the Company’s segregated portfolio of assets—general account supporting the funds withheld at interest is collateralized by a variety of commercial real estate property types located

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across the United States. The principal geographic distribution as of December 31 is shown below. No other state represented more than 5% of the portfolio.

Percentage of Loan Portfolio Fair Value	2025	2024
New York	17.3 %	16.1 %
California	16.8	17.3
Virginia	11.3	10.6
Tennessee	9.9	9.3
Georgia	5.0	4.9

The types of properties collateralizing the CMLs as of December 31 are as follows:

Percentage of Loan Portfolio Fair Value	2025	2024
Multifamily	53.7 %	50.4 %
Other commercial	20.5	19.5
Retail	11.7	15.6
Office buildings	5.0	5.6
Industrial	9.1	8.9
Total	<u>100.0 %</u>	<u>100.0 %</u>

The contractual maturities of the CML portfolio as of December 31, 2025, are as follow:

	Number of Loans	Fair Value	Percent
2026	17	\$ 85,367	19.4 %
2027	4	6,292	1.4
2028	7	52,836	12.0
2029	7	31,867	7.3
2030	2	7,332	1.7
Thereafter	36	255,775	58.2
Total	<u>73</u>	<u>\$ 439,469</u>	<u>100.0 %</u>

Loan-to-value (LTV) and debt service coverage (DSC) ratios are measures commonly used to assess risk and quality of CMLs. The LTV ratio, calculated at time of origination, is expressed as a percentage of the amount of the loan relative to the value of the underlying property. An LTV ratio in excess of 100% indicates the unpaid loan amount exceeds the value of the underlying collateral. There were no loans at December 31, 2025 with an LTV ratio greater than 75%. The DSC ratio, based upon the most recently received financial statements, is expressed as a percentage of the amount of estimated cash flows from the property available to the borrower to meet principal and interest payment obligations. A DSC ratio of less than 1.0 indicates that property's operations do not generate sufficient cash flows to cover the debt payments. A loan can be considered performing and not a credit issue while experiencing a DSC below 1.0 for periods of time due to timing issues with regard to the receipt of income and payment of periodic expenses, such as taxes.

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The following table reflects the distribution of the Company's CMLs across these two risk and quality measures as of December 31, 2025:

Loan-to-Value Ratios	Debt Service Coverage Ratio					Total
	Less than 1.0	1.0 to 1.25	1.26 to 1.5	1.51 to 1.75	Above 1.75	
Less than 50%	\$ —	\$ —	\$ 2,876	\$ 14,027	\$ 258,601	\$ 275,504
50% to 60%	—	6,372	13,058	10,953	91,347	121,730
60% to 75%	—	—	20,022	—	22,213	42,235
Total	\$ —	\$ 6,372	\$ 35,956	\$ 24,980	\$ 372,161	\$ 439,469

The following table reflects the distribution of the Company's CMLs across these two risk and quality measures as of December 31, 2024:

Loan-to-Value Ratios	Debt Service Coverage Ratio					Total
	Less than 1.0	1.0 to 1.25	1.26 to 1.5	1.51 to 1.75	Above 1.75	
Less than 50%	\$ —	\$ —	\$ 5,832	\$ 3,505	\$ 286,745	\$ 296,082
50% to 60%	—	—	13,341	83,726	35,289	132,356
60% to 75%	—	—	29,256	—	12,928	42,184
Total	\$ —	\$ —	\$ 48,429	\$ 87,231	\$ 334,962	\$ 470,622

8. REINSURANCE ASSUMED

At December 31, 2025, the Company has five reinsurance agreements with Wilton Reassurance Company (WRAC) involving certain term exposures issued before the effect of the National Association of Insurance Commissioners' Model Regulation XXX, which is formally titled "The Valuation of Life Insurance Policies Model Regulation" (pre-XXX), as well as universal life, whole life and final expense exposures. The treaties were initially effective in 2005 and 2006 and have been amended periodically.

In 2017, WRAC reinsured closed blocks of non-par payout annuities (payouts) and corporate owned and bank owned life insurance business (COLI | BOLI) on a coinsurance and modified coinsurance basis. Concurrently, WRAC retroceded the blocks to the Company, with the retrocession on a 100% coinsurance funds withheld basis. Also in 2017, Wilcac Life Insurance Company, an Illinois domiciled affiliate (WCAC), ceded its block of payouts to the Company on a 100% coinsurance funds withheld basis.

In 2020, WRAC retroceded 50% of a closed block of long-term care business as well as a 100% of a XXX term block, both on a coinsurance funds withheld basis.

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The following table presents information for the Company's reinsurance liabilities as of December 31:

	<u>2025</u>	<u>2024</u>
Affiliates	\$ 18,323,264	\$ 17,791,249
Non-affiliates	7,218,682	7,242,652
Total future policy benefits and interest sensitive contract liabilities	<u>\$ 25,541,946</u>	<u>\$ 25,033,901</u>

The effect of reinsurance on total premiums earned is as follows:

	<u>2025</u>	<u>2024</u>
Reinsurance assumed—affiliate	\$ 97,297	\$ 112,434
Reinsurance assumed—non-affiliate	2,508	2,614
Total premiums	<u>\$ 99,805</u>	<u>\$ 115,048</u>

The effect of reinsurance on total claims and policy benefits is as follows:

	<u>2025</u>	<u>2024</u>
Reinsurance assumed—affiliate	\$ 417,823	\$ 414,911
Reinsurance assumed—non-affiliate	358,553	(19,084)
Total claims and policy benefits	<u>\$ 776,376</u>	<u>\$ 395,827</u>

The effect of reinsurance on life insurance inforce is as follows:

	Direct	Assumed	Ceded	Net
December 31, 2025	\$ 2,342	\$ 42,141,272	\$ —	\$ 42,143,614
December 31, 2024	\$ 2,634	\$ 42,760,171	\$ —	\$ 42,762,805

Reinsurance and retrocession treaties do not relieve the Company from its obligations to counterparties. Failure of reinsurers or retrocessionaires to honor their obligations could result in losses to the Company. Expected credit losses recognized in the allowance for credit loss for the period along with the changes thereof from the prior period related to inuring reinsurance exposures are:

	<u>2025</u>	<u>2024</u>
Balance, beginning of period	\$ 25,346	\$ 13,125
Provision for credit losses	(3,349)	12,231
Write-offs	(6)	(10)
Balance, end of period	<u>\$ 21,991</u>	<u>\$ 25,346</u>

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9. LIABILITIES FOR FUTURE POLICY BENEFITS

The reconciliation to the LFPB in the consolidated balance sheets is as follows:

	2025	2024
Liabilities for future policy benefits		
Traditional life	\$ 409,995	\$ 408,608
Payout annuities and structured settlements	7,134,880	7,210,072
Disabled income, accident & health, and long term care	1,177,824	1,220,033
<i>Reconciling Items:</i>		
Other long-duration balances ¹	112,890	110,191
Total Liabilities for future policy benefits	8,835,589	8,948,904
 Additional liabilities		
Universal life	2,987,150	2,702,548
Total Additional liabilities	2,987,150	2,702,548
Total - Liabilities for future policy benefits	\$ 11,822,739	\$ 11,651,452

(1) Represents LFPB and additional liabilities related to smaller blocks of business.

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The balances of, and changes in, liabilities for future policy benefits for the year ended December 31, 2025, are as follows:

Present Value of Expected Net Premiums	Payout Annuities and Structured Settlements			Disabled Income, Accident & Health, and Long Term Care
	Traditional Life			
Beginning of year	\$ 418,757	\$ —	\$ 121,461	
Beginning of year at original discount rate	432,374	—	139,034	
Effect of changes in cash flow assumptions	2,931	—	652	
Effect of actual variances from expected experience	(6,061)	—	(3,170)	
Balance adjusted for variances from expectation	429,244	—	136,516	
Issuances	3	—	—	
Interest accrual	17,524	—	1,440	
Net premiums collected	(55,974)	—	(22,697)	
End of year at original discount rate	390,797	—	115,259	
Effect of changes in discount rate assumptions	(1,863)	—	(11,304)	
End of year	\$ 388,934	\$ —	\$ 103,955	
Present Value of Expected Future Policy Benefits				
Beginning of year	\$ 826,262	\$ 7,210,072	\$ 1,341,497	
Beginning of year at original discount rate (1)	880,057	7,805,305	1,647,634	
Effect of changes in cash flow assumptions	5,958	(65,361)	(119)	
Effect of actual variances from expected experience	1,307	634	(4,789)	
Balance adjusted for variances from expectation	887,322	7,740,578	1,642,726	
Issuances	3	—	—	
Interest accrual	32,578	331,015	18,290	
Benefits payments	(97,348)	(538,058)	(147,954)	
End of year at original discount rate (1)	822,555	7,533,535	1,513,062	
Effect of changes in discount rate assumptions	(24,979)	(398,655)	(231,284)	
End of year	\$ 797,576	\$ 7,134,880	\$ 1,281,779	
Floored position of liabilities for future policy benefits	1,350	—	—	
Liabilities for future policy benefits	\$ 409,992	\$ 7,134,880	\$ 1,177,824	
Weighted-average duration (years)	8.1	12.7	6.6	

(1) Includes DPL within Payout Annuities and Structured Settlements of \$495,782 and \$403,416 as of December 31, 2025 and 2024, respectively.

In traditional life, for the year ended December 31, 2025, the Company recognized an \$3,027 increase to the LFPB as a result of updates to actuarial assumptions. This net impact was primarily due to the reduction in mortality improvement. The Company also recognized a \$7,368 increase to the liabilities for future policy benefits as a result of differences of actual experience compared to expected. This net impact was primarily due to stronger persistency than expected.

The impact of traditional life loss cohorts (those with net premiums in excess of gross premiums) was recognized as an increase to LFPB in the amount of \$13,885 for the year ended December 31, 2025.

In payout annuities and structured settlements for the year ended December 31, 2025, the Company recognized a \$65,361 decrease to the LFPB as a result of updates to actuarial assumptions. This net

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impact was primarily due to an increase in substandard mortality for structured settlements. The Company also recognized a \$634 increase to the LFPB as a result of differences of actual experience compared to expected. This net impact was primarily due to slightly worse longevity.

In disabled income, accident & health, and long term care (LTC) for the year ended December 31, 2025, the Company recognized a \$771 decrease to the LFPB as a result of updates to actuarial assumptions. This net impact was primarily due to updates to morbidity and mortality on long term care policies. The Company also recognized a \$1,619 decrease to the LFPB as a result of differences of actual experience compared to expected. This net impact was primarily due to higher than expected terminations.

The balances of, and changes, in liabilities for future policy benefits for the year ended December 31, 2024, are as follows:

Present Value of Expected Net Premiums	Traditional Life	Payout Annuities and Structured Settlements	Disabled Income, Accident & Health, and Long Term Care
Beginning of year	\$ 521,296	\$ —	\$ 127,238
Beginning of year at original discount rate	543,719	—	146,135
Effect of changes in cash flow assumptions	(77,941)	—	7,357
Effect of actual variances from expected experience	2,623	—	9,474
Balance adjusted for variances from expectation	468,401	—	162,966
Interest accrual	18,243	—	1,068
Net premiums collected	(54,271)	—	(24,844)
End of year at original discount rate	432,373	—	139,190
Effect of changes in discount rate assumptions	(13,616)	—	(17,570)
End of year	\$ 418,757	\$ —	\$ 121,620
Present Value of Expected Future Policy Benefits			
Beginning of year	\$ 981,252	\$ 7,813,118	\$ 1,439,897
Beginning of year at original discount rate (1)	1,038,125	7,986,396	1,758,129
Effect of changes in cash flow assumptions	(80,045)	2,101	15,010
Effect of actual variances from expected experience	3,036	11,823	17,891
Balance adjusted for variances from expectation	961,116	8,000,320	1,791,030
Interest accrual	33,608	329,522	12,923
Benefits payments	(114,699)	(524,537)	(156,189)
End of year at original discount rate (1)	880,025	7,805,305	1,647,764
Effect of changes in discount rate assumptions	(53,798)	(595,233)	(306,111)
End of year	\$ 826,227	\$ 7,210,072	\$ 1,341,653
Floored position of liabilities for future policy benefits	1,138	—	—
Liabilities for future policy benefits	\$ 408,608	\$ 7,210,072	\$ 1,220,033
Weighted-average duration (years)	8.6	14.1	6.5

(1) Includes DPL within Payout Annuities and Structured Settlements of \$403,416 and \$418,001 as of December 31, 2024 and 2023, respectively.

In traditional life, for the year ended December 31, 2024, the Company recognized a \$2,104 decrease to the liabilities for future policy benefits as a result of updates to actuarial assumptions. This net impact was primarily due to updates on traditional life policies, offset by other model enhancements on

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traditional life policies. The Company also recognized a \$413 increase to the liabilities for future policy benefits as a result of differences of actual experience compared to expected. This net impact was primarily due to the actual experience related to the benefits on traditional life policies varying significantly from the expected experience, partially offset by the actual experience related to the premiums on the traditional life policies.

The impact of traditional life loss cohorts (those with net premiums in excess of gross premiums) was recognized as a decrease to net income in the amount of \$11,116 for the year ended December 31, 2024.

The principle inputs used in the establishment of the LFPB for payout annuity products include actual premiums, actual benefits, in-force data, locked-in claim-related expense, the locked-in interest accretion rate, the current upper-medium grade discount rate at the balance sheet date and best estimate mortality assumptions.

In payout annuities and structured settlements for the year ended December 31, 2024, the Company recognized a \$2,101 increase to the liabilities for future policy benefits as a result of updates to actuarial assumptions. This net impact was primarily due to updates to the mortality assumption on the payout annuity policies, partially offset by other model enhancements on the payout annuity policies. The Company also recognized \$11,822 increase to the liabilities for future policy benefits as a result of differences of actual experience compared to expected.

This net impact was primarily due to the actual experience related to the benefits on a couple of payout annuity policies varying significantly from the expected experience, partially offset by the premiums on the payout annuity policies varying from the expected experience.

The principal inputs used in the establishment of the LFPB for disabled income, accident & health and LTC products include actual premiums, actual benefits, in-force data, locked-in claim-related expense, the locked-in interest accretion rate, current upper-medium grade discount rate at the balance sheet date and best estimate assumptions. The best estimate assumptions include mortality, lapse, incidence, claim utilization, claim cost inflation, claim continuance, and premium rate increases.

In disabled income, accident & health, and LTC for the year ended December 31, 2024, the Company recognized a \$7,653 increase to the liabilities for future policy benefits as a result of updates to actuarial assumptions. This net impact was primarily due to updates to the morbidity assumption on LTC policies. The Company also recognized a \$8,419 increase to the liabilities for future policy benefits as a result of differences of actual experience compared to expected.

This net impact was primarily due to the actual experience related to the benefits on LTC policies varying significantly from the expected experience, partially offset by premiums on LTC policies.

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The amounts of undiscounted and discounted expected gross premiums and expected future benefit payments related to the liabilities for future policy benefits are as follows:

	2025		2024	
	Undiscounted	Discounted	Undiscounted	Discounted
Traditional Life				
Expected future benefit payments	\$ 1,219,132	\$ 799,501	\$ 1,307,407	\$ 828,190
Expected future gross premiums	701,755	488,235	779,381	528,056
Payout Annuities and Structured Settlements				
Expected future benefit payments	15,011,810	8,058,181	16,010,740	8,194,008
Expected future gross premiums	—	—	—	—
Disabled Income, Accident & Health, and Long Term Care				
Expected future benefit payments	1,846,881	1,281,880	1,987,615	1,341,471
Expected future gross premiums	198,864	161,264	233,722	185,109

The amounts of revenue and interest recognized in the accompanying consolidated statements of comprehensive income (loss) related to the liabilities for future policy benefits as of December 31, are as follows:

	2025		2024	
	Gross Premiums	Interest Accretion	Gross Premiums	Interest Accretion
Traditional Life	\$ 72,550	\$ 15,053	\$ 73,138	\$ 15,364
Payout Annuities and Structured Settlements	—	331,015	—	329,521
Disabled Income, Accident & Health, and Long Term Care	35,441	16,850	41,267	11,855
Total	<u>\$ 107,991</u>	<u>\$ 362,918</u>	<u>\$ 114,405</u>	<u>\$ 356,740</u>

The weighted-average interest rates related to the liabilities for future policy benefits for the year ending December 31, are as follows:

	2025	2024
Traditional Life		
Interest accretion rate	4.2 %	4.1 %
Current discount rate	5.0 %	5.4 %
Payout Annuities and Structured Settlements		
Interest accretion rate	4.9 %	4.3 %
Current discount rate	5.4 %	5.6 %
Disabled Income, Accident & Health, and Long Term Care		
Interest accretion rate	2.5 %	2.3 %
Current discount rate	4.9 %	5.3 %

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The balances of and changes in the additional liabilities for the year ended December 31, 2025 are as follows:

	<u>Universal Life</u>
Beginning of year	\$ 2,702,548
Beginning of year cumulative effect of AOCI adjustment	228,701
Beginning of year excluding AOCI adjustment	2,931,249
Effect of changes in cash flow assumptions	(124,473)
Effect of actual variances from expected experience	280
Adjusted balance, beginning of year	2,807,056
Interest accrual	99,137
Net assessments collected, excluding realized gains (losses)	457,663
Realized gains (losses)	(333)
Unrealized gains (losses) on trading securities	24,840
Benefits paid	(250,461)
Effect of changes in discount rate assumptions	(734)
End of year excluding AOCI adjustment	3,137,168
End of year cumulative effect of AOCI adjustment	(150,019)
End of year	\$ 2,987,149
Flooring impact (if applicable)	—
Additional liabilities for death benefits	\$ 2,987,149
Weighted-average duration (years)	6.0

The principle inputs used in the establishment of the additional insurance liability for the universal life products include historical actual fees and benefits, in-force data, the locked-in discount rate, the stochastic fund return scenario assumption, and best estimate lapse and mortality assumptions.

For the year ended December 31, 2025, the Company recognized a \$124,473 decrease to the additional liabilities as a result of updates to assumptions. This net impact was primarily due to model refinements for future assessments, projected crediting rates and updates to future expected interest rates. This was partially offset by increased mortality and reduced mortality improvement. The Company also recognized a \$280 increase to the additional liabilities as a result of differences of actual experience compared to expected. This net impact was primarily due to strong persistency offsetting mortality.

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The balances of and changes in the additional liabilities for the year ending December 31, 2024, are as follows:

	<u>Universal Life</u>
Beginning of year	\$ 1,060,202
Beginning of year cumulative effect of AOCI adjustment	(4,569)
Beginning of year excluding AOCI adjustment	1,055,633
Effect of changes in cash flow assumptions	102
Effect of actual variances from expected experience	(45,266)
Adjusted balance, beginning of year	1,010,469
Interest accrual	38,752
Net assessments collected, excluding realized gains (losses) ¹	2,348,333
Realized gains (losses)	5,208
Unrealized gains (losses) on trading securities	(203,346)
Benefits paid	(267,836)
Effect of changes in discount rate assumptions	(331)
End of year excluding AOCI adjustment	2,931,249
End of year cumulative effect of changes of AOCI adjustment	(228,701)
End of year	\$ 2,702,548
Flooring impact (if applicable)	—
Additional liabilities for death benefits	\$ 2,702,548
Weighted-average duration (years)	7.3

¹\$2,262,691 is due to the reinsurance agreements with Plaz. See Note 3 Closed Block reinsurance.

The principle inputs used in the establishment of the additional insurance liability for the universal life products include historical actual fees and benefits, in-force data, the locked-in discount rate, the stochastic fund return scenario assumption, and best estimate lapse and mortality assumptions.

For the year ended December 31, 2024, the Company recognized a \$102 increase to the additional liabilities as a result of updates to assumptions. This net impact was primarily due to updates to mortality and lapse assumptions on some of the universal life policies, partially offset by other model enhancements on the universal life policies. The Company also recognized a \$45,266 decrease to the additional liabilities as a result of differences of actual experience compared to expected. This net impact was primarily due to the actual experience related to benefits on universal life policies varying significantly from the expected experience, partially offset by the actual experience related to the assessments on universal life policies.

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The weighted-average interest rates related to the additional liabilities as of December 31, are as follows

	<u>2025</u>	<u>2024</u>
Universal Life - Interest accretion rate	4.1	3.9

10. INTEREST SENSITIVE CONTRACT LIABILITIES

The reconciliation to the interest sensitive contract liabilities in the accompanying consolidated balance sheets is as follows:

	<u>2025</u>	<u>2024</u>
Policyholders account balances		
Universal Life	\$ 12,210,867	\$ 11,763,660
Deferred Annuities	329,464	374,301
Reconciling items		
Investment Contracts *	456,313	496,779
Unearned Profit reserve	697,483	728,358
Other balances	25,080	19,351
Total – Interest sensitive contract liabilities	<u><u>\$ 13,719,207</u></u>	<u><u>\$ 13,382,449</u></u>

*Consist of policyholders account balances related to investment contracts, including certain payout annuities and structured settlements.

The balances of and changes in policy account balances as December 31, are as follows:

	<u>2025</u>	
	<u>Universal Life</u>	<u>Deferred Annuities</u>
Beginning of year	<u>\$ 11,763,660</u>	<u>\$ 374,301</u>
Premiums	378,923	1,473
Interest credited	263,342	7,281
Policyholder charges	(389,664)	(830)
Surrender benefits	(166,606)	(38,332)
Account value released on death	(88,221)	(14,429)
Investment performance	449,433	—
End of year	<u><u>\$ 12,210,867</u></u>	<u><u>\$ 329,464</u></u>
Weighted-average crediting rate	2.20 %	2.07 %
Net amount at risk	\$ 17,780,315	\$ —
Cash surrender value	\$ 12,065,922	\$ 326,212

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	2024	
	Universal Life	Deferred Annuities
Beginning of year	\$ 11,431,764	\$ 428,524
Premiums	127,568	1,417
Interest credited	221,545	13,210
Policyholder charges	(246,040)	(149)
Surrender benefits	(33,206)	(53,844)
Account value released on death	(144,696)	(14,857)
Investment performance	406,725	—
End of year	\$ 11,763,660	\$ 374,301
Weighted-average crediting rate	1.91 %	3.29 %
Net amount at risk	\$ 18,204,446	\$ —
Cash surrender value	\$ 11,584,672	\$ 370,697

The Company did not have a premium deficiency reserve as of December 31, 2025 or 2024.

The policy account balances by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates credited to policyholders and the respective guaranteed minimum are as follows:

Range of Guaranteed Minimum Crediting Rate	2025				
	At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	51 Basis Points - 150 Basis Points Above	Greater Than 150 Basis Points Above	Total
Universal Life					
Up to 1.00%	—	—	949,344	—	949,344
1.01% - 2.00%	3,006	844,188	470,774	—	1,317,968
2.01% - 3.00%	822,702	1,583,430	7,699	11	2,413,842
3.01% - 4.00%	7,306,090	39,994	2	1	7,346,087
4.01% - 5.00%	6,632	—	—	—	6,632
5.01% and above	176,994	—	—	—	176,994
Total	8,315,424	2,467,612	1,427,819	12	12,210,867
Deferred Annuities					
Up to 1.00%	—	—	—	—	—
1.01% - 2.00%	—	—	—	—	—
2.01% - 3.00%	7,952	249	—	—	8,201
3.01% - 4.00%	308,026	—	—	—	308,026
4.01% - 5.00%	7,571	—	169	—	7,740
5.01% and above	5,497	—	—	—	5,497
Total	329,046	249	169	—	329,464

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Range of Guaranteed Minimum Crediting Rate	2024				Total
	At Guaranteed Minimum	1 Basis Point - 50 Basis Points Above	51 Basis Points - 150 Basis Points Above	Greater Than 150 Basis Points Above	
Universal Life					
Up to 1.00%	—	—	936,594	—	936,594
1.01% - 2.00%	2,249	800,685	401,696	—	1,204,630
2.01% - 3.00%	591,386	860,781	—	—	1,452,166
3.01% - 4.00%	4,096,797	22,420	—	—	4,119,217
4.01% - 5.00%	—	—	—	—	—
5.01% and above	210,330	—	—	—	210,330
Total	4,900,762	1,683,886	1,338,290	—	7,922,937
Deferred Annuities					
Up to 1.00%	—	—	—	—	—
1.01% - 2.00%	—	—	—	—	—
2.01% - 3.00%	8,863	260	—	—	9,123
3.01% - 4.00%	133,207	—	—	—	133,207
4.01% - 5.00%	8,062	—	174	—	8,236
5.01% and above	5,743	—	—	—	5,743
Total	155,876	260	174	—	156,310

11. DEFERRED ACQUISITION COSTS, VALUE OF BUSINESS ACQUIRED AND UNEARNED PROFIT RESERVE

The balances of and changes in DAC for traditional life products are as follows:

	2025	2024
Beginning of year	\$ 24,885	\$ 27,335
Capitalized	—	—
Amortized	(2,284)	(2,450)
End of year	\$ 22,601	\$ 24,885

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The balances of and changes in VOBA for the years ended December 31 are as follows:

	2025		
	Traditional Life	Universal Life	Total
Beginning of year	\$ 11,554	\$ 501,862	\$ 513,416
Amortized	(1,504)	(29,770)	(31,274)
End of year	<u>10,050</u>	<u>472,092</u>	<u>\$ 482,142</u>

	2024		
	Traditional Life	Universal Life	Total
Beginning of year	\$ 13,175	\$ 533,239	\$ 546,414
Amortized	(1,621)	(31,377)	(32,998)
End of year	<u>11,554</u>	<u>501,862</u>	<u>\$ 513,416</u>

The expected amortization of VOBA in the next five years is as follows:

2026	\$ 29,282
2027	27,432
2028	25,712
2029	24,110
2030	22,616

The balances of and changes in the unearned profit reserve for universal life products are as follows:

	2025	2024
Beginning of year	\$ 728,358	\$ 157,801
Capitalized	—	589,756
Amortized	(30,876)	(19,198)
End of year	<u>\$ 697,482</u>	<u>\$ 728,359</u>

12. INCOME TAXES

WREB became a US taxpayer as of January 1, 2018.

Under prior Bermuda law, the Company was not required to pay taxes in Bermuda on income or realized capital gains. The Company had received an undertaking from the Minister of Finance in Bermuda that, in the event of any taxes being imposed, the Company would be exempt from taxation in Bermuda until March 2035.

In December 2023, the Bermuda government enacted the Corporate Income Tax Act 2023, which introduces a 15% corporate income tax (CIT) reduced by creditable foreign taxes, applicable to Bermuda constituent entities of multinational enterprise groups with annual revenue of €750,000 or more, effective for fiscal years beginning on or after January 1, 2025. The Company has assessed its position and expects to qualify for the five-year limited international footprint exemption, which defers

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the application of the Bermuda CIT for the Company until tax years beginning on or after January 1, 2030. The deferred taxes on the balance sheet have been calculated using the enacted rate for temporary differences that will be reversed once the regime comes into effect. However, a net deferred tax asset of approximately \$783,794 related to transition tax adjustments has been reduced to zero by a valuation allowance to reflect that no incremental benefit is expected to be realized because of the availability of credits for US income taxes to offset the Bermuda tax liability.

On September 30, 2024, WROL merged into WREB with WREB surviving in the merger. The merger satisfied the requirements for a tax-free reorganization, and neither WROL nor WREB recognized any taxable gain or loss for US federal income purposes. WROL's pre-merger activities were not subject to US tax, therefore had been excluded from the tax provision.

At December 31, 2025 and 2024, the Company had a net operating loss carryforward of \$652,512 and \$381,313, respectively, which do not have an expiration date and can be carried forward indefinitely. The Company expects to utilize all the net operating losses. In addition, at December 31, 2025 and 2024, the Company had a capital loss carryforward of \$0 and \$2,582, and no tax credits.

Income tax expense attributable to income from operations for the years ended December 31, 2025 and 2024, is as follows:

	2025	2024
Current tax expense (benefit)	\$ 202	\$ (213)
Deferred tax expense (benefit)	126,488	(89,286)
Income tax expense (benefit)	<u>\$ 126,690</u>	<u>\$ (89,499)</u>

The income tax expense differs from applying the US federal income tax rate of 21% to income before taxation as a result of the following:

	2025	2024
U.S. Federal Statutory Tax Rate	\$ 127,563	\$ (54,388)
Change in valuation allowances	—	35,793
Other adjustments		
WROL Merger	—	(57,710)
Other	(873)	(13,194)
Income tax expense (benefit)	<u>\$ 126,690</u>	<u>\$ (89,499)</u>

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The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities at December 31, 2025 and 2024, are presented in the following table:

	<u>2025</u>	<u>2024</u>
Deferred income tax assets:		
Differences between tax and financial reporting amounts concerning certain reinsurance transactions	\$ 191,763	\$ 129,474
Deferred acquisition costs/value of business acquired	81,765	79,277
Investments	604,259	557,097
Net operating losses	137,028	80,076
Capital loss carryforwards	—	542
Employee benefits	2,376	2,939
Nondeductible accruals	91	150
Bermuda Economic Transition Tax Adjustment	783,794	480,996
Total deferred tax assets	<u>1,801,076</u>	<u>1,330,551</u>
Deferred income tax liabilities:		
Liabilities for future policy benefits	(473,246)	(256,105)
Other	(17)	(12)
Total deferred tax liabilities	<u>(473,263)</u>	<u>(256,117)</u>
Valuation allowance	(783,794)	(480,996)
Net deferred tax asset	<u>\$ 544,019</u>	<u>\$ 593,438</u>

The Company's U.S. federal income tax returns for tax years 2022–2024 are open and subject to examination by the Internal Revenue Service.

As of December 31, 2025, the Company had no unrecognized tax benefits.

The Inflation Reduction Act enacted the Corporate Alternative Minimum Tax (CAMT) on August 16, 2022. The CAMT imposes a 15% minimum tax on the Adjusted Financial Statement Income (AFSI) of applicable corporations for taxable years beginning after December 31, 2022.

Based on an analysis of the average annual AFSI for the three preceding tax years, the Company has determined it falls within the safe harbor provisions provided in IRS Notice 2025-27 and is not considered an "applicable corporation" for the 2024 and 2025 tax years. Accordingly, no CAMT liability has been recognized in the accompanying financial statements.

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was enacted into law. The OBBBA includes several changes to the U.S. federal income tax system, including modifications to international tax provisions and business deductions. The Company has evaluated the provisions of the OBBBA and determined that they do not have a material impact on the Company's financial statements, effective tax rate, or deferred tax assets and liabilities for the year end December 31, 2025.

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13. STATUTORY REQUIREMENTS AND DIVIDEND RESTRICTIONS

The Company is subject to insurance laws and regulations of Bermuda by the Bermuda Monetary Authority (BMA). These regulations include restrictions that limit the amount of dividends or other distributions available to shareholders without prior approval of the insurance regulatory authorities.

Under Bermuda law, the following statutory conditions must all be met prior to a distribution to shareholders:

1. The value of the assets backing the Company's insurance liabilities, as certified by the Company's approved actuary, must be greater than the Company's reserves (also certified) after the distribution (Insurance Act, Section 24);
2. Company must be solvent after payment of the dividend, i.e. the realizable value of its assets must be greater than its liabilities (Companies Act, Section 54);
3. BMA approval is required for dividends exceeding 25% of the Company's statutory capital and surplus, per its previous year's statutory balance sheet (Insurance Act, Section 31B);
4. BMA approval is required for any distribution exceeding 15% of the Company's statutory capital, per its previous year's statutory financial statements (Insurance Act, Section 31C); and,
5. After the distribution, the Company's capital must be above regulatory margins (Insurance Act, Sections 31B and 31C).

The Company can pay dividends of \$144,967 in 2026 without prior regulatory approval.

14. SHAREHOLDERS' EQUITY

Dividends

On January 20, 2025 the Company declared a dividend of \$50,000 payable to its shareholders, WRL and Wilton Re US Holdings. The dividend was paid using cash on January 31, 2025.

On November 12, 2025 the Company declared a dividend of \$185,000 payable to its shareholders, WRL and Wilton Re US Holdings. The dividend was paid using cash on December 29, 2025.

On April 25, 2024, the Company declared a dividend of \$200,000 payable to its shareholders, WRL and Wilton Re US Holdings. The dividend was paid using cash on May 23, 2024.

On September 20, 2024, ahead of the merger of WROL with and into WREB, WROL declared a dividend of \$22,546 and return of capital of \$260,580. The dividend and return of capital was paid using cash on September 30, 2024.

15. RELATED PARTY TRANSACTIONS

The Company is party to a Service Agreement with its affiliate, Wilton Re Services, Inc., (Wilton Services) under which Wilton Services provides certain accounting, actuarial and administrative services to the Company (the Services Agreement). During 2025 and 2024, the Company incurred \$5,961 and \$6,869, respectively of expenses for these services. Amounts payable to parents, subsidiaries and

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affiliates of \$10,929 and \$17,841 at December 31, 2025 and 2024, respectively, were primarily related to the Services Agreement.

16. COMMITMENTS AND CONTINGENCIES

Funding of Investments

	2025		2024	
	Commitment	Unfunded	Commitment	Unfunded
Limited Partnerships	\$ 232,657	\$ 83,455	\$ 92,417	\$ 16,622

The Company anticipates that the majority will be invested over the next five years; however, these commitments could become due any time at the request of the counterparties.

Collateral Arrangements

In November 2008, the Company entered into a reinsurance trust agreement with WRAC as beneficiary, for the purpose of collateralizing the Company's obligations under the terms of the reinsurance agreements between the Company and WRAC. At December 31, 2025 and 2024, the balance in the trust was \$1,785 and \$3,027, respectively.

The Company is required as a result of specific contractual undertakings, to maintain amounts in trust to secure performance of contract liabilities. These arrangements include trusts maintained in connection with indemnity reinsurance contracts. The Company retains investment management responsibility for these collateral assets subject to compliance with agreed investment guidelines. The aggregate market value of investments maintained by the Company pursuant to these arrangements as of December 31, 2025 and 2024, were \$5,736,341 and \$5,107,330, respectively.

Legal Proceedings

In the normal course of business, the Company is involved in litigation, principally from claims made under insurance policies and contracts. The ultimate disposition of such litigation is not expected to have a material adverse effect on the Company's financial condition, liquidity or results of operations. At the current time the Company is not a party to any pending litigation.

Capital Maintenance Agreement

Effective April 5, 2019, the Company entered into a Capital Maintenance Agreement (CMA) with WRL. Under the CMA terms, WRL agrees to maintain in the Company, "Available Statutory Economic Capital and Surplus" in excess of 125% of its "Enhanced Capital Requirement" at all times as defined in the Insurance (Prudential Standards) (Class C, D and Class E Solvency Requirement) Rules 2011, up to an aggregate amount of \$400,000.

17. LONG-TERM AND OTHER DEBT

Liquidity Facilities

In September 2021, WRL, along with Wilton Re US Holdings, extended its existing five-year \$500,000 senior revolving credit facility (Wells Fargo Facility I) by 3 years, with a new expiry in 2026 with a

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syndicate of lenders. The facility included a \$100,000 letter of credit sublimit. The applicable margin for base rate loans ranged from 0.125% to 0.75%. The applicable margin for LIBOR loans/CDOR Loans/SOFR Loans ranged from 1.125% to 1.75%. Any amounts borrowed could be repaid at any time without prepayment penalty. In September 2022, the Wells Fargo Facility I was amended to, among other things, remove the LIBOR rate option for borrowings thereunder.

In September 2023, WRL along with its subsidiaries, renewed its 364-day \$500,000 senior revolving credit facility (Wells Fargo Facility II) with a syndicate of lenders. Wells Fargo Facility II had the same financial covenant restrictions and rates as Wells Fargo Facility I. The applicable margin for base rate loans ranged from 0.125% to 0.75%. The applicable margin for SOFR Loans ranged from 1.125% to 1.75%.

In September 2024, WRL, along with Wilton Re US Holdings, amended and restated the existing Wells Fargo Facility I and eliminated the Wells Fargo Facility II and the Term Facility by increasing the aggregate commitment available thereunder from \$500,000 to \$1,100,000 and extending the facility by 1 year, with a new expiry date in 2027 (Wells Fargo Facility III). Under the Wells Fargo Facility III, the full amount of commitment is available for the making of unsecured borrowings and for the issuance of secured and unsecured letters of credit. The Wells Fargo Facility III also requires WRL's combined leverage ratio not to be greater than 0.375 to 1.00 (which may increase to 0.40 to 1.00 during any two calendar quarters at WRL's election) and that WRL maintain a minimum adjusted consolidated tangible net worth. Borrowings under the Wells Fargo Facility III bear interest, at the applicable borrower's option, at either a base rate or a SOFR rate, in each case, plus an applicable margin that is determined according to a sliding scale based upon the financial strength ratings of WRAC and the Company. The applicable margin for base rate loans ranges from 0.125% to 0.75%. The applicable margin for SOFR Loans ranges from 1.125% to 1.75%. Any amounts borrowed may be repaid at any time without prepayment penalty. On and as of September 25, 2024, (i) Wilton Re US Holdings borrowed \$250,000 under the Wells Fargo Facility III and used the proceeds of such borrowing to prepay in full the Term Facility and (ii) all borrowings and letters of credit outstanding under the Wells Fargo Facility I or the Well Fargo Facility II became borrowings and letters of credit outstanding under the Wells Fargo Facility III.

WRL obtains letter of credits (LOCs) for the benefit of various affiliated and unaffiliated insurance companies from which the Company assumes business. These LOCs represent guarantees of performance under the reinsurance agreements and allow ceding companies to take statutory reserve credits.

LOCs issued under the facilities may be collateralized by qualifying cash and securities (liquid collateral). December 31, 2025 and 2024, was \$28,800 and \$19,742, respectively. At December 31, 2025 and 2024, there were approximately \$18,925 and \$18,875, respectively of outstanding bank letters of credit issued by the Company under the facility in favor of non-affiliated companies.

The Company is a borrower under both Wells Fargo Facility I and Wells Fargo Facility III. At December 31, 2025 and 2024, there was \$0 borrowed under the facilities by the Company.

As at December 31, 2025 and 2024 the Company had issued \$200,000 and \$220,000, respectively, of unsecured letter of credit to WCAC to provide credit for certain 2025 and 2024 activity.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

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18. FAIR VALUE

The Company has categorized its assets and liabilities recorded at fair value, based on the priority of the inputs to the valuation technique, into a three-level hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, the category level is based on the lowest priority level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded at fair value on the consolidated balance sheets are categorized as follows:

Level 1 Unadjusted quoted prices for identical assets or liabilities in an active market.

The types of financial investments included in Level 1 are listed equities, mutual funds, money market funds, US Treasury Securities and non-interest bearing cash. listed equities, mutual funds, money market funds, US Treasury Securities and non-interest-bearing cash.

Level 2 Pricing inputs other than quoted prices in active markets which are either directly or indirectly observable as of the reporting date, and fair value determined through the use of models or other valuation methods. Such inputs may include benchmarking prices for similar assets in active, liquid markets, quoted prices in markets that are not active and observable yields and spreads in the market. Level 2 valuations may be obtained from independent sources for identical or comparable assets or through the use of valuation methodologies using observable market-corroborated inputs. Prices from third-party pricing services are validated through analytical reviews.

The types of financial instruments included in Level 2 include publicly traded issues such as US and foreign corporate securities, residential and commercial mortgage-backed securities, preferred stocks and common stocks among others.

Level 3 Prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. They reflect management's own assumptions about the assumptions a market participant would use in pricing the asset or liability. Market standard techniques for determining the estimated fair value of certain securities that trade infrequently may rely on inputs that are not observable in the market or cannot be derived from or corroborated by market observable data. Prices are determined using valuation methodologies such as discounted cash flow models and other techniques. Management believes these inputs are consistent with what other market participants would use when pricing similar assets.

The types of financial investments included in Level 3 primarily include privately placed fixed maturities or equities, equities with limited trading, certain asset-backed and mortgage-backed securities, commercial mortgage loans, collateral loans and the LLC or limited partnership interests that are not accounted for on an equity method.

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Recurring Fair Value Measurements

The assets and liabilities measured at fair value on a recurring basis and their placement in the fair value hierarchy, including those items for which the Company has elected the FVO, are summarized below at:

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
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December 31, 2025	Fair Value	Level 1	Level 2	Level 3
Invested assets:				
U.S. government and agencies	\$ 1,366,053	\$ 1,307,942	\$ 58,111	\$ —
State and political subdivisions	227,588	—	227,238	350
Foreign sovereign	55,870	—	55,870	—
Corporate securities	3,200,485	—	3,181,341	19,144
Residential mortgage-backed securities	244,431	—	244,431	—
Commercial mortgage-backed securities	286,787	—	286,787	—
Asset backed securities	174,767	—	172,631	2,136
Collateralized debt obligations	448,436	—	448,436	—
Total fixed maturity	6,004,417	1,307,942	4,674,845	21,630
Preferred stock	7,338	—	7,338	—
Total fixed maturity and equity securities	6,011,755	1,307,942	4,682,183	21,630
Other invested assets:				
Life settlement contracts - direct	88,371	—	—	88,371
All other ⁴	11,840	—	11,840	—
Total other invested assets	100,211	—	11,840	88,371
Total invested assets	6,111,966	1,307,942	4,694,023	110,001
Funds withheld at interest:				
U.S. government and agencies	1,448,057	1,230,039	218,018	—
State and political subdivisions	497,356	—	490,310	7,046
Foreign sovereign	14,822	—	14,822	—
Corporate securities	7,337,666	—	6,604,966	732,700
Residential mortgage-backed securities	358,178	—	358,178	—
Commercial mortgage-backed securities	238,047	—	238,047	—
Asset backed securities	588,049	—	463,097	124,952
Collateralized debt obligations	288,074	—	280,764	7,310
Total fixed maturity	10,770,249	1,230,039	8,668,202	872,008
Preferred stock	136,798	—	128,307	8,491
Common stock	4	—	4	—
Total fixed maturity and equity securities	10,907,051	1,230,039	8,796,513	880,499
Commercial mortgage loans	439,469	—	—	439,469
Other invested assets ³	747,148	—	378,610	368,538
Funds withheld at interest - segregated portfolio assets - general account	12,093,668	1,230,039	9,175,123	1,688,506
Funds withheld at interest - segregated portfolio of assets - separate account	4,309,428	—	4,309,428	—
Total funds withheld at interest ^{1,2}	16,403,096	1,230,039	13,484,551	1,688,506
Other liabilities - life settlement contracts - secured borrowing	22,860	—	—	22,860
Total	<u>\$ 22,537,922</u>	<u>\$ 2,537,981</u>	<u>\$ 18,178,574</u>	<u>\$ 1,821,367</u>

¹Cash and short-term investments of \$268,069 is a component of funds withheld at interest: segregated portfolio of assets—general account not measured at fair value on a recurring basis.

²Funds withheld at interest: Non segregated portfolio of assets of \$393,350 are a component of Funds withheld at interest not measured at fair value on a recurring basis.

³Limited partnerships of \$305,236 is a component of other invested assets not measured at fair value on a recurring basis

⁴Limited partnerships of \$173,445 is a component of other invested assets not measured at fair value on a recurring basis

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December 31, 2024	Fair Value	Level 1	Level 2	Level 3
Invested assets:				
U.S. government and agencies	\$ 1,275,251	\$ 1,219,004	\$ 56,247	\$ —
State and political institutions	233,313	—	232,959	354
Foreign sovereign	76,406	—	76,406	—
Corporate securities	2,984,564	—	2,965,574	18,990
Residential mortgage-backed securities	172,623	—	172,623	—
Commercial mortgage-backed securities	197,988	—	197,988	—
Asset-backed securities	87,376	—	83,579	3,797
Collateralized debt obligations	379,791	—	379,791	—
Total fixed maturity	5,407,312	1,219,004	4,165,167	23,141
Preferred stock	10,607	—	10,607	—
Total fixed maturity and equity securities	5,417,919	1,219,004	4,175,774	23,141
Other invested assets:				
Life settlement contracts - direct	101,774	—	—	101,774
All other ⁴	10,318	—	10,318	—
Total other invested assets	112,092	—	10,318	101,774
Total invested assets	5,530,011	1,219,004	4,186,092	124,915
Funds withheld at interest:				
U.S. government and agencies	1,389,421	1,196,604	192,817	—
State and political subdivisions	529,640	—	522,501	7,139
Foreign sovereign	15,375	—	15,375	—
Corporate securities	7,163,235	—	6,472,325	690,910
Residential mortgage-backed securities	252,753	—	252,753	—
Commercial mortgage-backed securities	269,298	—	269,298	—
Asset-backed securities	630,961	—	374,006	256,955
Collateralized debt obligations	424,199	—	424,199	—
Total fixed maturity	10,674,882	1,196,604	8,523,274	955,004
Preferred stock	151,735	—	143,326	8,409
Common stock	2	—	2	—
Total fixed maturity and equity securities	10,826,619	1,196,604	8,666,602	963,413
Commercial mortgage loans	470,622	—	—	470,622
Other invested assets ³	795,277	—	379,087	416,190
Funds withheld at interest - segregated portfolio assets - general account	12,092,518	1,196,604	9,045,689	1,850,225
Funds withheld at interest - segregated portfolio of assets - separate account	4,031,842	—	4,031,842	—
Total funds withheld at interest ^{1 2}	16,124,360	1,196,604	13,077,531	1,850,225
Other liabilities - life settlement contracts - secured borrowing	26,365	—	—	26,365
Total	\$ 21,680,736	\$ 2,415,608	\$ 17,263,623	\$ 2,001,505

¹Cash and short-term investments of \$306,916 is a component of funds withheld at interest: segregated portfolio of assets—general account not measured at fair value on a recurring basis.

²Funds withheld at interest: Non segregated portfolio of assets of \$417,851 are a component of Funds withheld at interest not measured at fair value on a recurring basis.

³Limited partnerships of \$311,693 is a component of other invested assets not measured at fair value on a recurring basis.

⁴Limited partnerships of \$91,537 is a component of other invested assets not measured at fair value on a recurring basis.

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Fixed Maturity and Equity Securities

Publicly traded fixed maturity securities included in fixed maturity and equity securities and funds withheld at interest are valued based on quoted market prices or broker prices. Private placement securities included in fixed maturity and equity securities and funds withheld at interest are valued based on the credit quality and duration of marketable securities deemed comparable by the Company's investment advisor, which may be of another issuer. In some cases, discounted cash flow analysis may be used.

U.S. Government and Agencies, State and Political Subdivisions, Foreign Sovereign and Corporate Securities

US Treasury securities, which trade based on quoted prices for identical assets in an active market, are included in Level 1.

The fair value of Level 2 bonds and securities is predominantly priced by third-party pricing services and broker quotes. Their pricing models typically utilize the following inputs: principal and interest payments, treasury yield curve, credit spreads from new issue and secondary trading markets, early redemption or call features, benchmark securities and reported trades.

Level 3 bonds and securities primarily represent investments in privately placed bonds, credit tenant loans and other less liquid corporate and municipal bonds for which prices are not readily available. To determine a fair value, the Company may rely on modeling for market valuation using both observable and unobservable inputs. These inputs are entered into industry standard pricing models to determine the final price of the security. These inputs typically include: projected cash flows, discount rate, industry sector, underlying collateral, credit quality of the issuer, maturity, embedded options, recent new issuance, comparative bond analysis, and seniority of debt.

The extent of the use of each market input depends on the asset class, market conditions and the relevant market data available. Depending on the security, these inputs may change, some market inputs may not be relevant or additional inputs may be necessary.

The fair value of corporate bonds classified as Level 3 is sensitive to changes in the interest rate spread over the corresponding US Treasury rate. This spread represents a risk premium that is affected by company-specific and market factors. An increase in the spread can be caused by a perceived increase in credit risk of a specific issuer and/or an increase in the overall market risk premium associated with similar securities.

Mortgage-Backed Securities, Asset-Backed Securities and Collateralized Debt Obligations

This category consists of residential mortgage-backed securities, commercial mortgage-backed securities, and other asset-backed securities, such as credit card and automobile receivables, home equity loans, manufactured housing bonds and collateralized debt obligations. Level 2 securities are priced from information provided by third-party pricing services and independent broker quotes. For mortgage-backed and asset-backed securities, valuation is based primarily on matrix pricing or other similar techniques using standard market inputs including spreads for actively traded securities, spreads off benchmark yields, expected prepayment speeds and volumes, current and forecasted loss severity, credit rating, weighted average coupon, weighted average maturity, average delinquency rates,

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

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geographic region, debt-service coverage ratios and issuance-specific information including, but not limited to: collateral type, payment terms of the underlying assets, payment priority within the tranche, structure of the security, deal performance, vintage of loans and insurance guarantees.

The Company has included mortgage-backed and asset-backed securities with less liquidity in Level 3, these securities are primarily privately placed transactions with little transparency to the market or other securities with limited or inactive trading markets. Significant inputs cannot be derived principally from or corroborated by observable market data. The significant unobservable inputs used in the fair value measurement of these securities typically include: discounted cash flows, credit rating of issuer, debt coverage ratios, type and quality of underlying collateral, prepayment rates, probability of default and loss severity in the event of default.

Included in the pricing of mortgage-backed and asset-backed securities are estimates of the rate of future prepayments of principal over the remaining life of the securities. Such estimates are derived based on the securities' underlying structure and rates of prepayments previously experienced at the interest rate levels projected for the underlying collateral. Changes in significant inputs used in the fair value measurement, such as the paydown rate (the projected annual rate of principal reduction), may affect the fair value of the securities. For example, a decrease in the paydown rate would increase the projected weighted average life and increase the sensitivity of the fair value to changes in interest rates.

Preferred and Common Stock

The fair values of preferred and common stocks are primarily based upon quoted market prices in active markets and are classified within Level 1 in the fair value hierarchy. The fair values of preferred and common stocks, for which quoted market prices are not readily available, are based on prices obtained from independent pricing services and are generally classified within Level 2 in the fair value hierarchy. Privately placed transactions with little transparency to the market or other equities with limited or inactive trading markets may rely on modeling for market valuation using both observable and unobservable inputs. These are generally classified within Level 3 in the fair value hierarchy.

Commercial Mortgage Loans

The Company elects the FVO for CMLs. The loans are valued using a net present value calculation of future cash flows. The calculation uses a credit spread plus a liquidity spread and is added to an interpolated Treasury yield to determine the discount rate. Credit and liquidity spreads are derived from industry spread curve data provided by third parties that are considered market-makers in commercial mortgage loans.

The CMLs are considered Level 3 in the fair value hierarchy due to the limited transaction activity and unobservable inputs.

Derivatives

Over-the-counter derivatives, are valued using models that rely on inputs such as interest rate yield curves, implied volatilities and credit spreads that are observable for substantially the full term of the contract.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

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Other Invested Assets

Surplus Debentures

Surplus debentures are similar to corporate securities. The fair values of surplus debentures are primarily based on prices obtained from independent pricing services or may be obtained from independent third-party dealers in the absence of quoted market prices. They are generally classified within Level 2 in the fair value hierarchy.

Funds Withheld

The fair value of embedded derivatives associated with funds withheld reinsurance treaties is determined based upon a total return swap methodology with reference to the fair value of the investments held by the ceding company that support the Company's funds withheld at interest asset. The fair value of the underlying assets is generally based on market observable inputs using market valuation methodologies.

Changes of Level 3 Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company obtains its Level 3 fair value measurements from independent, third-party pricing sources. The Company does not develop the significant inputs used to measure the fair value of these assets and liabilities, and the information regarding the significant inputs is not readily available to the Company. Independent broker-quoted fair values are non-binding quotes developed by market makers or broker-dealers obtained from third-party sources recognized as market participants. The fair value of a broker-quoted asset or liability is based solely on the receipt of an updated quote from a single market maker, or a broker-dealer recognized as a market participant as the Company does not adjust broker quotes when used as the fair value measurement for an asset or liability. In addition, some prices are determined based on discounted cash flow models.

The Company's policy is to recognize transfers into and out of levels within the fair value hierarchy at the end of the period in which the actual event or change in circumstances that caused the transfer occurs.

For all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3), the following table presents select activity for the years ended December 31, 2025 and 2024:

Invested Assets	2025			2024		
	Purchases	Transfer Into	Transfer Out	Purchases	Transfer Into	Transfer Out
Corporate securities	\$ —	\$ —	\$ —	\$ 383	\$ —	\$ —
Asset-backed securities	136	—	(510)	307	540	—
Short term	230	—	—	—	—	—
Total invested assets	<u>\$ 366</u>	<u>\$ —</u>	<u>\$ (510)</u>	<u>\$ 690</u>	<u>\$ 540</u>	<u>\$ —</u>

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of U.S. dollars, except share amounts)

19. OTHER COMPREHENSIVE INCOME

The following table presents the components of the Company's other comprehensive income (loss) for the years ended December 31, 2025 and 2024:

	2025		
	Before-Tax Amount	Tax (Expense) Benefit	After-Tax Amount
Unrealized investment gains (losses):			
Unrealized investment gains (losses) arising during the year	\$ 503	\$ (106)	\$ 398
Less: reclassification adjustment for (gains) losses realized in net income ¹	139	(29)	110
Unrealized investment gains (losses) net of reclassification adjustments	364	(76)	288
Adjustments for changes in policyholder liabilities	(78,682)	16,523	(62,158)
Total change in net unrealized investment gains (losses)	(78,317)	16,447	(61,871)
Effect of updating discount rates on future policy benefits	(288,684)	60,624	(228,060)
Other comprehensive income	\$ (367,001)	\$ 77,070	\$ (289,931)
	2024		
	Before-Tax Amount	Tax (Expense) Benefit	After-Tax Amount
Unrealized investment gains (losses):			
Unrealized investment gains (losses) arising during the year	\$ (427,847)	\$ 91,590	\$ (336,257)
Less: reclassification adjustment for (gains) losses realized in net income ¹	(252)	54	(198)
Unrealized investment gains (losses) net of reclassification adjustments	(427,595)	91,536	(336,059)
Adjustments for changes in policyholder liabilities	233,270	(49,937)	183,333
Total change in net unrealized investment gains (losses)	(194,325)	41,600	(152,725)
Effect of updating discount rates on future policy benefits	405,571	(85,170)	320,401
Other comprehensive income	\$ 211,246	\$ (43,570)	\$ 167,676

¹ Reclassifications from AOCI into earnings are recognized within investment earnings-net on the Statement of Comprehensive Income.

The balance of and changes in each component of accumulated other comprehensive income (AOCI), net of income taxes, were as follows:

	Unrealized investment gains (losses)	Effect of updating discount rates on future policy benefits	Total AOCI
Balance at December 31, 2023	\$ 23,963	\$ 441,557	\$ 465,519
Other comprehensive income before reclassifications	(194,439)	405,568	211,129
Amounts reclassified from AOCI	115	—	115
Deferred income tax benefit (expense)	41,600	(85,170)	(43,570)
Balance at December 31, 2024	(128,763)	761,955	633,193
Other comprehensive income before reclassifications	(108,263)	(288,681)	(396,943)
Amounts reclassified from AOCI	29,944	—	29,944
Deferred income tax benefit (expense)	16,447	60,624	77,070
Balance at December 31, 2025	\$ (190,635)	\$ 533,898	\$ 343,263

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of U.S. dollars, except share amounts)

The following table presents the amount of AOCI reclassifications for the years ended December 31, 2025 and 2024:

	Amount Reclassified from AOCI		Affected Line Item on Statement of Comprehensive Income (Loss)
	2025	2024	
For the year ended December 31:			
Net unrealized investment gains (losses):			
Realized gains (losses) on available-for-sale securities	\$ 10,663	\$ (87)	Investment earnings, net
Credit losses on available-for-sale securities	(40,609)	(27)	Investment earnings, net
Total before tax	(29,944)	(115)	
Income tax benefit (expense)	6,289	25	
Net unrealized investment losses, net of tax	\$ (23,656)	\$ (90)	

20. SUBSEQUENT EVENTS

The Company has evaluated the impact of subsequent events through April 27, 2026, representing the date at which the consolidated financial statements were available to be issued. The following events occurred subsequent to December 31, 2025:

On February 4, 2026 the Company reduced the unsecured letter of credit issued to WCAC from \$200,000 to \$170,000.

In December 2025, Wilton Re approved a transaction between WRAC, and IptiQ Americas, Holdings (a Swiss Company) to acquire 100% of IptiQ Americas holdings in Lumico Life Insurance Company and Elips Life Insurance Company, and merge these entities into WCAC. Immediately following the transaction closing, WCAC retroceded a 40% quota share of the life insurance portion of the business to its affiliate, the Company on a coinsurance basis. After successfully obtaining the required regulatory approvals from the relevant US state regulators and the Bermuda Monetary Authority, the transaction closed on April 1, 2026.

On April 27, 2026, the Company declared a dividend of \$75,000 payable to its shareholders, WRL and Wilton Re US Holdings.

SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Board of Directors of
Wilton Reinsurance Bermuda Limited:

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary consolidating balance sheets as of December 31, 2025 and 2024, and the supplementary consolidating statements of comprehensive income (loss) for the years then ended ("supplementary information") are presented for the purpose of additional analysis and are not a required part of the financial statements. This supplementary information is the responsibility of Wilton Reinsurance Bermuda Limited and Subsidiary's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such supplementary information has been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion such supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Deloitte + Touche LLP

April 27, 2026

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2025
(Amounts in thousands of U.S. dollars)

	WREB	Mills Creek	Eliminations	WREB Consolidated
Assets				
Investments:				
Fixed maturity securities available-for-sale at fair value	\$ 5,536,037	\$ —	\$ —	\$ 5,536,037
Equity securities, at fair value	7,338	—	—	7,338
Policy loans	37,673	—	—	37,673
Funds withheld at interest	17,377,314	—	—	17,377,314
Other invested assets	185,285	88,371	—	273,656
Short-term investments	230	—	—	230
Total investments	23,143,877	88,371	—	23,232,248
Cash and cash equivalents	508,011	2,931	—	510,942
Accrued investment income	56,533	—	—	56,533
Premiums receivable	12,731	—	—	12,731
Other reinsurance receivables	151,669	—	—	151,669
Net deferred acquisition costs	22,601	—	—	22,601
Value of in-force business acquired	482,142	—	—	482,142
Net deferred income taxes	544,019	—	—	544,019
Other assets	735,574	26	(87,335)	648,265
Total assets	\$ 25,657,157	\$ 91,328	\$ (87,335)	\$ 25,661,150
Liabilities and shareholder's equity				
Liabilities:				
Liabilities for future policy benefits	\$ 11,822,739	\$ —	\$ —	\$ 11,822,739
Interest sensitive contract liabilities	13,719,207	—	—	13,719,207
Other reinsurance liabilities	24,040	—	—	24,040
Other liabilities	49,053	3,993	—	53,046
Derivative liabilities	454,639	—	—	454,639
Total liabilities	26,069,678	3,993	—	26,073,671
Shareholder's equity:				
Class A-1 common shares	32	—	—	32
Class A-2 common shares	11	—	—	11
Class B common shares	218	—	—	218
Additional paid-in capital	806,110	(10,416)	10,416	806,110
Accumulated other comprehensive (loss) income	343,263	—	—	343,263
Retained deficit	(1,562,155)	97,751	(97,751)	(1,562,155)
Total shareholder's deficit	(412,521)	87,335	(87,335)	(412,521)
Total liabilities and shareholder's equity	\$ 25,657,157	\$ 91,328	\$ (87,335)	\$ 25,661,150

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY
CONSOLIDATING BALANCE SHEET
AS OF DECEMBER 31, 2024
(Amounts in thousands of U.S. dollars)

	WREB ¹	Mills Creek	Eliminations	WREB Consolidated ¹
Assets				
Investments:				
Fixed maturity securities available-for-sale at fair value	\$ 5,407,312	\$ —	\$ —	\$ 5,407,312
Equity securities, at fair value	10,607	—	—	10,607
Policy loans	38,316	—	—	38,316
Funds withheld at interest	17,147,749	—	—	17,147,749
Other invested assets	101,854	101,775	—	203,629
Total investments	22,705,838	101,775	—	22,807,613
Cash and cash equivalents	480,967	3,449	—	484,416
Accrued investment income	54,320	—	—	54,320
Premiums receivable	14,541	—	—	14,541
Other reinsurance receivables	135,355	—	—	135,355
Net deferred acquisition costs	24,885	—	—	24,885
Value of in-force business acquired	513,416	—	—	513,416
Net deferred income taxes	593,438	—	—	593,438
Other assets	587,481	280	(101,126)	486,635
Total assets	\$ 25,110,241	\$ 105,504	\$ (101,126)	\$ 25,114,619
Liabilities and shareholder's equity				
Liabilities:				
Liabilities for future policy benefits	\$ 11,651,452	\$ —	\$ —	\$ 11,651,452
Interest sensitive contract liabilities	13,382,449	—	—	13,382,449
Other reinsurance liabilities	27,635	—	—	27,635
Other liabilities	76,685	4,378	—	81,063
Derivative liabilities	340,363	—	—	340,363
Total liabilities	25,478,584	4,378	—	25,482,962
Shareholder's equity:				
Class A-1 common shares	32	—	—	32
Class A-2 common shares	11	—	—	11
Class B common shares	218	—	—	218
Additional paid-in capital	806,110	12,584	(12,584)	806,110
Accumulated other comprehensive (loss) income	633,193	—	—	633,193
Retained deficit	(1,807,907)	88,542	(88,542)	(1,807,907)
Total shareholder's deficit	(368,343)	101,126	(101,126)	(368,343)
Total liabilities and shareholder's equity	\$ 25,110,241	\$ 105,504	\$ (101,126)	\$ 25,114,619

¹ Retrospectively adjusted to reflect the adoption of LDTI.

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY
CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Amounts in thousands of U.S. dollars)

	WREB	Mills Creek	Eliminations	WREB Consolidated
Revenues				
Net premiums	\$ 99,805	\$ —	\$ —	\$ 99,805
Policy fees and charges—net	425,604	—	—	425,604
Inuring third-party reinsurance commissions	777	—	—	777
Investment earnings—net	1,100,402	9,254	—	1,109,656
Net change in unrealized gains (losses) on investments classified as trading and other	4,867	—	—	4,867
Change in value of embedded derivatives—net	78,963	—	—	78,963
Total revenues	1,710,418	9,254	—	1,719,672
Benefits and expenses				
Claims and policy benefits	776,376	—	—	776,376
Policyholder liability remeasurement (gains) losses	(98,616)	—	—	(98,616)
Interest credited to interest sensitive contract liabilities	306,026	—	—	306,026
Acquisition costs and other insurance expenses	91,465	—	—	91,465
Operating expenses	36,705	45	—	36,750
Interest expense	229	—	—	229
Total benefits and expenses	1,112,185	45	—	1,112,230
Net income (loss) before income taxes	598,233	9,209	—	607,442
Income tax expense (benefit)	126,690	—	—	126,690
Net income (loss) before equity in net income (loss) of subsidiary	471,543	9,209	—	480,752
Equity in net income (loss) of subsidiary	9,209	—	(9,209)	—
Net income (loss)	\$ 480,752	\$ 9,209	\$ (9,209)	\$ 480,752
Other comprehensive income, net of tax				
Net unrealized investment losses	(61,870)	—	—	(61,870)
Change in current discount rate - liability for future policy benefits, net of tax	(228,060)	—	—	(228,060)
Total other comprehensive loss, net of tax	(289,930)	—	—	(289,930)
Comprehensive income (loss)	\$ 190,822	\$ 9,209	\$ (9,209)	\$ 190,822

WILTON REINSURANCE BERMUDA LIMITED AND SUBSIDIARY
CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts in thousands of U.S. dollars)

	WREB ¹	Mills Creek	Eliminations	WREB Consolidated ¹
Revenues				
Net premiums	\$ 115,048	\$ —	\$ —	\$ 115,048
Policy fees and charges—net	262,989	—	—	262,989
Inuring third-party reinsurance commissions	833	—	—	833
Investment earnings—net	977,228	(1,910)	—	975,318
Net change in unrealized gains (losses) on investments classified as trading and other	333	—	—	333
Change in value of embedded derivatives—net	(811,307)	—	—	(811,307)
Total revenues	<u>545,124</u>	<u>(1,910)</u>	<u>—</u>	<u>543,214</u>
Benefits and expenses				
Claims and policy benefits	395,827	—	—	395,827
Policyholder liability remeasurement (gains) losses	33,446	—	—	33,446
Interest credited to interest sensitive contract liabilities	252,416	—	—	252,416
Acquisition costs and other insurance expenses	83,637	—	—	83,637
Operating expenses	35,731	—	—	35,731
Interest expense	741	—	—	741
Total benefits and expenses	<u>801,798</u>	<u>—</u>	<u>—</u>	<u>801,798</u>
Net income (loss) before income taxes	(256,674)	(1,910)	—	(258,584)
Income tax (benefit) expense	(89,499)	—	—	(89,499)
Net (loss) income before equity in net (loss) income of subsidiary	<u>(167,175)</u>	<u>(1,910)</u>	<u>—</u>	<u>(169,085)</u>
Equity in net (loss) income of subsidiary	(2,317)	—	1,910	(407)
Net income (loss)	<u>\$ (169,492)</u>	<u>\$ (1,910)</u>	<u>\$ 1,910</u>	<u>\$ (169,492)</u>
Other comprehensive income, net of tax				
Net unrealized investment gains	(231,884)	—	—	(231,884)
Change in current discount rate - liability for future policy benefits, net of tax	399,560	—	—	399,560
Total other comprehensive income, net of tax	<u>167,676</u>	<u>—</u>	<u>—</u>	<u>167,676</u>
Comprehensive income (loss)	<u>\$ (1,816)</u>	<u>\$ (1,910)</u>	<u>\$ 1,910</u>	<u>\$ (1,816)</u>

¹ Retrospectively adjusted to reflect the adoption of LDTI.