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INDEPENDENT AUDITOR'S REPORT

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To the Audit Committee of the Board of Directors and Shareholder of Resolution Life Group Holdings Ltd.

Opinion

We have audited the consolidated financial statements of Resolution Life Group Holdings Ltd. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 (successor) and December 31, 2022 (predecessor), and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows for the periods from October 1, 2023 to December 31, 2023 (successor), January 1, 2023 to September 30, 2023 (predecessor), and for the year ended December 31, 2022 (predecessor), 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, 2023 (successor) and 2022 (predecessor), and the results of its operations and its cash flows for the periods from October 1, 2023 to December 31, 2023 (successor), January 1, 2023 to September 30, 2023 (predecessor), and for the year ended December 31, 2022 (predecessor), 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

As discussed in Note 1 to the financial statements, the Company was acquired on October 2, 2023. The transaction was accounted for as a business combination and the Company's basis of assets and liabilities were adjusted to their estimated fair values as of the acquisition date. As a result, the Company's basis of assets and liabilities (and certain related revenue and costs associated with such assets and liabilities such as depreciation and amortization) are not comparable between predecessor and successor periods. 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 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 24, 2024



Resolution Life Group Holdings Ltd.
Consolidated Financial Statements
December 31, 2023 (Successor) and December 31, 2022 (Predecessor)

Resolution Life Group Holdings Ltd.
Index

Page(s)

Consolidated Balance Sheets	1
Consolidated Statements of Operations	2
Consolidated Statements of Comprehensive Income (Loss)	3
Consolidated Statements of Shareholder's Equity	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	7

Resolution Life Group Holdings Ltd.
Consolidated Balance Sheets
December 31, 2023 (Successor) and 2022 (Predecessor)
(\$'s in thousands, except par value and share value amounts)

Assets	December 31, 2023	December 31, 2022
	(Successor)	(Predecessor)
Investments:		
Fixed maturity securities, available-for-sale, at fair value (net of allowance for credit losses of \$(570) and \$0, respectively) (amortized cost of \$27,935,099 and \$33,199,236, respectively)	\$ 29,361,270	\$ 26,582,370
Fixed maturity securities, fair value option	287,619	229,714
Equity securities	7,881,583	2,909,861
Investment funds	3,381,586	3,860,111
Mortgage loans, net	3,461,499	2,728,522
Policy loans, net	1,996,869	1,624,488
Short-term investments	2,022,889	1,889,572
Derivative assets	833,999	510,707
Other invested assets	82,901	75,886
Total investments	49,310,215	40,411,231
Cash and cash equivalents	4,016,320	3,583,617
Receivables for securities	418,263	523,916
Accrued investment income	290,064	276,255
Premiums receivable, net	784,966	499,134
Funds withheld asset	21,985,119	28,882,894
Reinsurance recoverable, net	3,376,880	15,712,761
Value of business acquired and deferred acquisition costs	10,282,636	2,885,445
Goodwill	520,677	67,629
Deferred tax asset	—	733,998
Other assets	458,457	544,661
Separate account assets	1,523,311	3,894,942
Total Assets	\$ 92,966,908	\$ 98,016,482
Liabilities and Equity		
Future policy benefits and other policyholder liabilities	\$ 31,248,889	\$ 29,511,417
Policyholder liabilities, at estimated fair value	-	4,883,724
Policyholder account balances	45,448,035	49,067,664
Funds withheld payables	-	9,322,090
Reinsurance payable	902,932	477,140
Long-term debt	2,568,070	2,091,724
Deferred tax liability	638,297	-
Accrued expenses and other liabilities	1,843,444	1,671,679
Separate account liabilities	1,523,311	3,894,942
Total Liabilities	\$ 84,172,978	\$ 100,920,380
Commitments and Contingencies (Note 13)		
Shareholder's Equity		
Common stock, \$1.00 par value, 8,500 and 7,201 shares authorized, issued and outstanding, respectively	\$ 9	\$ 7
Additional paid in capital	6,882,885	4,573,224
Retained earnings (deficit)	395,344	(3,445,975)
Accumulated other comprehensive income (loss)	803,725	(4,512,793)
Total Resolution Life Group Holdings Ltd. ("RLGH Ltd.") Shareholder's Equity	8,081,963	(3,385,537)
Noncontrolling interest	711,967	481,639
Total Shareholder's Equity	8,793,930	(2,903,898)
Total Liabilities and Shareholder's Equity	\$ 92,966,908	\$ 98,016,482

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

Resolution Life Group Holdings Ltd.
Consolidated Statements of Operations
For the Period Ended December 31, 2023 (Successor), Period Ended October 1, 2023
(Predecessor) and Year Ended December 31, 2022 (Predecessor)
(\$'s in thousands)

	Period Ended December 31, 2023 (Successor)	Period Ended October 1, 2023 (Predecessor)	Year Ended December 31, 2022 (Predecessor)
Revenues			
Premiums	\$ 3,078,507	\$ 1,753,310	\$ 2,156,044
Fee income	425,924	1,103,297	1,487,652
Net investment income	871,102	2,285,449	2,603,186
Investment related gains (losses), net	2,080,794	(1,517,794)	(8,050,735)
Total revenues	<u>\$ 6,456,327</u>	<u>\$ 3,624,262</u>	<u>\$ (1,803,853)</u>
Benefits and Expenses			
Policyholder benefits	4,268,651	2,613,186	1,905,968
Change in policyholder liabilities at estimated fair value	-	(111,093)	(1,143,554)
Interest sensitive contract benefits	657,235	481,308	554,174
Amortization of value of business acquired and deferred acquisition costs	320,937	59,024	83,030
Other operating expenses	318,932	814,384	988,989
Total benefits and expenses	<u>5,565,755</u>	<u>3,856,809</u>	<u>2,388,607</u>
Income (Loss) before income tax	<u>\$ 890,572</u>	<u>\$ (232,547)</u>	<u>\$ (4,192,460)</u>
Income tax expense (benefit)			
Current tax	(37,311)	(61,770)	22,500
Deferred tax	277,089	(270,810)	(447,219)
Total income tax expense (benefit)	<u>\$ 239,778</u>	<u>\$ (332,580)</u>	<u>\$ (424,719)</u>
Net income (loss)	650,794	100,033	(3,767,741)
Less: Net income (loss) attributable to noncontrolling interests	15,451	17,101	12,849
Net income (loss) attributable to RLGH Ltd. shareholder	<u>\$ 635,343</u>	<u>\$ 82,931</u>	<u>\$ (3,780,590)</u>

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

Resolution Life Group Holdings Ltd.
Consolidated Statements of Comprehensive Income (Loss)
For the Period Ended December 31, 2023 (Successor), Period Ended October 1, 2023
(Predecessor) and Year Ended December 31, 2022 (Predecessor)
(\$'s in thousands)

	Period Ended	Period Ended	Year Ended
	December 31,	October 1,	December 31,
	2023	2023	2022
	(Successor)	(Predecessor)	(Predecessor)
Net Income (Loss)	650,794	100,033	(3,767,741)
Other Comprehensive Income (Loss)			
Change in unrealized investment gains (losses) on available-for-sale securities, net of offsets	1,094,251	(46,583)	(6,170,303)
Policy reserves and value of business acquired adjustment	(409,785)	(78,789)	1,868,478
Foreign currency translation and other adjustments	134,831	(104,271)	(132,205)
Cumulative effect of adoption of accounting standards	-	1,987	-
Other comprehensive income (loss), before income tax	\$ 819,297	\$ (227,656)	\$ (4,434,030)
Tax expense (benefit) related to other comprehensive income (loss)	15,633	(68,833)	15,657
Other comprehensive income (loss), net of income tax	\$ 803,664	\$ (158,823)	\$ (4,449,687)
Less: other comprehensive income (loss) attributable to noncontrolling interests	-	-	(41,228)
Total other comprehensive income (loss) attributable to RLGH Ltd. shareholder	\$ 803,664	\$ (158,823)	\$ (4,408,459)
Total comprehensive income (loss)	\$ 1,454,458	\$ (58,790)	\$ (8,217,428)
Less: comprehensive income (loss) attributable to noncontrolling interests	15,451	17,101	(28,379)
Total comprehensive income (loss) attributable to RLGH Ltd. shareholder	<u>\$ 1,439,007</u>	<u>\$ (75,891)</u>	<u>\$ (8,189,049)</u>

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

Resolution Life Group Holdings Ltd.
Consolidated Statements of Shareholder's Equity
For the Period Ended December 31, 2023 (Successor), Period Ended October 1, 2023 (Predecessor) and Year Ended December 31, 2022 (Predecessor)
(\$'s in thousands, except par value and share value amounts)

	Common Shares		Additional Paid-in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total RLGH Ltd. Shareholder's	Noncontrolling interest	Total Shareholder's Equity
	Shares	Amount						
Balance, December 31, 2021 (Predecessor)	6,500	7	4,154,172	434,615	(104,334)	4,484,460	978,731	5,463,191
Issuance of capital stock	701	-	358,000	-	-	358,000	-	358,000
Capital contributions	-	-	20,000	-	-	20,000	-	20,000
Dividends paid	-	-	-	(100,000)	-	(100,000)	-	(100,000)
Net loss	-	-	-	(3,780,590)	-	(3,780,590)	12,849	(3,767,741)
Other comprehensive loss	-	-	-	-	(4,408,459)	(4,408,459)	(41,228)	(4,449,687)
Changes in equity of noncontrolling interest	-	-	-	-	-	-	(82,957)	(82,957)
Purchase of noncontrolling interest	-	-	41,052	-	-	41,052	(361,428)	(320,376)
Distributions to noncontrolling interest	-	-	-	-	-	-	(24,328)	(24,328)
Balance, December 31, 2022 (Predecessor)	7,201	7	4,573,224	(3,445,975)	(4,512,793)	(3,385,537)	481,639	(2,903,898)
Net income	-	-	-	82,931	-	82,931	17,101	100,032
Other comprehensive loss	-	-	-	-	(160,809)	(160,809)	-	(160,809)
Changes in equity of noncontrolling interest	-	-	-	-	-	-	160,546	160,546
Distributions to noncontrolling interest	-	-	-	-	-	-	(6,357)	(6,357)
Cumulative effect of adoption of accounting standards	-	-	-	(8,234)	1,987	(6,247)	-	(6,247)
Balance, October 1, 2023 (Predecessor)	7,201	7	4,573,224	(3,371,278)	(4,671,615)	(3,469,662)	652,929	(2,816,733)
Balance, October 2, 2023 (Successor)	7,201	7	6,086,993	-	-	6,087,000	511,459	6,598,459
Issuance of capital stock	500	1	-	-	-	1	-	1
Capital contributions	-	-	283,143	-	-	283,143	-	283,143
Converted debt	799	1	512,749	-	-	512,750	-	512,750
Dividends paid	-	-	-	(240,000)	-	(240,000)	-	(240,000)
Net income	-	-	-	635,343	-	635,343	15,451	650,794
Other comprehensive income/(loss)	-	-	-	-	803,724	803,724	-	803,724
Changes in equity of noncontrolling interest	-	-	-	-	-	-	185,057	185,057
Balance, December 31, 2023 (Successor)	8,500	9	6,882,885	395,343	803,724	8,081,961	711,967	8,793,929

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

Resolution Life Group Holdings Ltd.
Consolidated Statements of Cash Flows
For the Period Ended December 31, 2023 (Successor), Period Ended October 1, 2023
(Predecessor) and Year Ended December 31, 2022 (Predecessor)
(\$'s in thousands)

	Period Ended	Period Ended	Year Ended
	December 31,	October 1,	December 31,
	2023	2023	2022
	(Successor)	(Predecessor)	(Predecessor)
Cash flows from operating activities			
Net income (loss)	\$ 650,794	\$ 100,033	\$ (3,767,741)
<i>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</i>			
Change in deferred acquisition costs and VOBA	307,802	(3,211,243)	77,595
Amortization/ accretion of net investment premium and discount	(103,366)	85,844	212,193
Net investment related (gain) loss, net	(2,064,689)	1,568,736	7,983,174
(Income) loss from equity method investments, net of dividends or distributions	18,032	(2,709)	(21,380)
Change in fixed maturities, fair value option investments	(19,408)	11,283	67,559
<i>Changes in assets and liabilities</i>			
Change related to modified coinsurance agreements	(2,065,424)	(793,183)	1,060,546
Change in accrued investment income	58,603	(72,471)	(3,457)
Change in other assets and liabilities	(350,808)	553,520	(1,516,518)
Change in reserves	3,536,420	1,946,414	(1,990,056)
Net cash (used in) provided by operating activities	<u>(32,044)</u>	<u>186,224</u>	<u>2,101,915</u>
Cash flows from investing activities			
Proceeds from sales, maturities and repayment of:			
Fixed maturities, available-for-sale	4,278,322	5,896,548	9,246,980
Fixed maturities, fair value option	24,248	40,327	103,426
Equity securities	471,385	1,752,113	1,671,058
Purchases of:			
Fixed maturities, available-for-sale	(4,101,158)	(5,623,674)	(9,015,678)
Fixed maturities, fair value option	(4,418)	(5,155)	(47,384)
Equity securities	(1,323,042)	(693,550)	(1,477,886)
Net purchases, sales, maturities of other investments	735,465	(2,367,702)	(1,072,555)
Purchase of subsidiaries, net of cash, cash equivalents and restricted cash acquired	-	417,730	-
Purchase of noncontrolling interest	-	-	(320,376)
Net cash provided by (used in) investing activities	<u>80,802</u>	<u>(583,363)</u>	<u>(912,415)</u>

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

Resolution Life Group Holdings Ltd.
Consolidated Statements of Cash Flows
For the Period Ended December 31, 2023 (Successor), Period Ended October 1, 2023
(Predecessor) and Year Ended December 31, 2022 (Predecessor)
(\$'s in thousands)

	Period Ended	Period Ended	Year Ended
	December 31,	October 1,	December 31,
	2023	2023	2022
	(Successor)	(Predecessor)	(Predecessor)
Cash flows from financing activities			
Issuance of common stock	1	-	358,000
Capital contributions	795,892	-	20,000
Dividends paid on common stock	(240,000)	-	(100,000)
Proceeds from Short-term and Long-term debt	123,254	1,531,206	-
Repayment of Short-term and Long-term debt	(725,000)	(536,256)	-
Repayment of deferred and contingent consideration	-	-	(10,500)
Net funds received/(paid) on policyholder liabilities at fair value	-	(111,093)	(1,143,554)
Net funds received/(paid) on policyholder account balances	(82,222)	(138,128)	257,900
Contributions from (distributions to) consolidated investment entities	182,914	152,046	(74,756)
Effect of foreign currency on financing activities	(169,589)	(107,948)	77,005
Net cash provided from financing activities	(114,750)	789,827	(615,905)
Foreign currency effect on cash, cash equivalents and restricted cash	96,981	(91,573)	(127,679)
Net increase/(decrease) in cash, cash equivalents and restricted cash	30,989	301,115	445,916
Cash, cash equivalents and restricted cash, beginning of period	\$ 3,985,331	\$ 3,583,617	\$ 3,137,701
Cash, cash equivalents and restricted cash, end of period	\$ 4,016,320	\$ 3,884,732	\$ 3,583,617
Supplemental schedule of cash flow information			
Net cash paid (received) for:			
Interest	\$ 37,304	\$ 105,670	\$ 81,603
Tax	\$ 7,113	\$ 63,580	\$ 29,402
Non-cash transactions			
Converted debt	\$ 512,750	\$ -	\$ -
Ceding commission on reinsurance agreements	\$ -	\$ (1,926,000)	\$ -
Insurance liabilities assumed on reinsurance agreements	\$ -	\$ (3,781,000)	\$ -

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

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

1. General

Resolution Life Group Holdings Ltd. (individually referred to as “RLGH Ltd.” or together with its subsidiaries referred to as the “Company”) was formed on May 11, 2017 in Bermuda and is a wholly owned subsidiary of Blackstone ISG Investment Partners - R (BMU) L.P. (“New Partnership”). The Company’s purpose is to consolidate in-force life insurance companies and portfolios in mature markets globally.

RLGH Ltd.’s subsidiaries are listed in Note 15. RLGH Ltd.’s subsidiaries are primarily Resolution Re Ltd. (“RRL”), Resolution Life NOHC Pty Ltd (“NOHC”) and Resolution Life U.S. Holdings Ltd (“RLUSH”).

RRL was incorporated as a Bermuda exempted company in 2017. RRL is a wholesale provider of reinsurance and other risk transfer solutions to both third parties and affiliates.

The subsidiary of NOHC is primarily Resolution Life Australia Pty Ltd (“RLA”). On June 30, 2020, NOHC acquired AMP Financial Services Holding Ltd (“AMP”). RLA’s main operating subsidiary is Resolution Life Australasia Limited (“RLAL”).

In January 2021, RLUSH (through its wholly owned Colorado life insurance subsidiary, Resolution Life Colorado, Inc. (“RLCO”)) acquired the in-force individual life insurance and legacy nonretirement annuity business of Voya Financial, Inc. RLUSH’s subsidiary is primarily Security Life of Denver Insurance Company (“SLD”).

In the second quarter of 2022, the Company completed the acquisition of AMP’s minority equity interest in NOHC.

On October 2, 2023, Resolution Life Group Holdings L.P. (“Resolution LP”) and Rome Holdco L.P. (“Blackstone”) completed a Master Transaction Agreement (“MTA”) pursuant to which the Resolution LP contributed 7,201 common shares issued and outstanding of Resolution Life Group Holdings Ltd. (the “Company”, “RLGH Ltd”) and its respective direct and indirect subsidiaries, to a newly-formed Bermuda domiciled partnership (“Blackstone ISG Investment Partners – R (BMU) L.P.” or the “New Partnership”). Blackstone ISG Investment Associates – R (BMU) Ltd. (Bermuda) serves as the general partner of the New Partnership and Blackstone ISG-I Advisors LLC as the investment manager for the assets supporting insurance business of the New Partnership’s subsidiaries.

Basis of Presentation

The Company’s consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“US GAAP”). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below and in Note 2.

Upon the completion of the MTA, the Company established a new accounting basis, applying push-down accounting to reflect the Company's assets and liabilities at fair value as of the acquisition date, and recognizing goodwill for any excess of the purchase price over the fair value of net assets assumed by the New Partnership in the acquisition. Refer to Note 3. “Business Combinations” for more detail.

Predecessor: The year ended December 31, 2022 and the period from January 1, 2023 through October 1, 2023 reflect the historical basis of accounting of RLGH Ltd. that existed prior to the acquisition. These periods are referred to as “Year ended December 31, 2022 (Predecessor)” and “Period ended October 1, 2023 (Predecessor).”

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Successor: The period from October 2, 2023 through December 31, 2023 is referred to as the “Successor period” and “Period ended December 31, 2023 (Successor).”

In addition, the company modified its accounting election to fair value certain liabilities, as well as elected not to apply hedge accounting to certain foreign currency derivatives. No other significant policy modifications were made as a result of the transaction.

Business Combinations

The Company uses the acquisition method of accounting for all business combination transactions, and accordingly, recognizes the fair values of assets acquired, liabilities assumed and any noncontrolling interests in the consolidated financial statements. The allocation of fair values may be subject to adjustment after the initial allocation for up to a one-year period as more information becomes available relative to the fair values as of the acquisition date. The consolidated financial statements include the results of operations of any acquired company since the acquisition date.

Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries as well as partnerships and joint ventures in which the Company has control and variable interest entities (“VIE”) for which the Company is the primary beneficiary. Intercompany accounts and transactions have been eliminated.

Use of Estimates

The consolidated financial statements are prepared in accordance with US GAAP, which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual experience could materially differ from these estimates and assumptions. The Company’s principal estimates impact:

- Fair value of investments
- Impairment of investments and valuation allowances
- Valuation of derivatives, including embedded derivatives
- Value of business acquired (“VOBA”)
- Goodwill
- Reserves for future policy benefit and policyholder account balances
- Valuation allowances on deferred tax assets; and
- Provisions and contingencies

2. Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, amounts due from banks, and certain money market securities, held in the ordinary course of business with maturities of three months or less.

Restricted Cash

Restricted cash consists of cash and cash equivalents (i) held in funds in trust as part of funds withheld and modified coinsurance (“modco”) agreements to secure reserves and liabilities, (ii) amounts posted as collateral for derivative contracts and (iii) cash balances for comfort trusts, and is presented within cash and cash equivalents on the face of the Consolidated Balance Sheets. Refer to Note 13. Commitments and Contingencies for more detail.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Investments

Fixed maturity securities include bonds, asset-backed securities (“ABS”), residential mortgage-backed securities (“RMBS”) and commercial mortgage-backed securities (“CMBS”). Fixed maturity securities are designated as available-for-sale (“AFS”) except those accounted for using the fair value option (“FVO”), as they may be sold prior to their contractual maturity, and are carried at fair value. Unrealized gains and losses on AFS securities are reflected in accumulated other comprehensive income (loss) on the Consolidated Balance Sheets. Cash received from calls, principal payments, bond tenders, make-whole payments and cash received from maturities and pay-downs are recorded as interest income.

Equity securities include perpetual preferred stock, and common stock investments. Equity investments are accounted for at fair value. Changes in estimated fair value of these securities are included in Investment related gains (losses), net, on the Consolidated Statements of Operations.

Investment funds include certain non-fixed income, alternative investments in the form of limited partnerships or similar legal structures (investment funds) and include investments in real estate, real assets, credit, equity and natural resources. Investment funds can meet the definition of VIEs, which are discussed further in Note 7 – Variable Interest Entities. These are consolidated when the Company has determined it is the primary beneficiary of the investment fund. The aggregate of the income or loss and corresponding equity that is not owned by the Company is presented in noncontrolling interests in the consolidated financial statements. Additionally, we evaluate whether certain entities are required to be consolidated under the voting interest entity (“VOE”) guidance when control is obtained through voting rights (refer to the Consolidated Balance Sheets for the assets and liabilities of the Company's consolidated investment entities). As of December 31, 2023 (Successor) and 2022 (Predecessor) no entities were consolidated under the VOE guidance.

For unconsolidated investment funds, the Company uses either the equity method of accounting or elects the FVO. For equity method investments, the Company records its proportionate share of investment fund income within net investment income on the Consolidated Statements of Operations which are on a lag of no longer than three months. Where the fair value option has been elected the change in the fair value is reflected in Investment related gains (losses), net, on the Consolidated Statements of Operations.

The Company records purchases and sales of fixed maturities and equity securities, excluding private placements on a trade date basis, with any unsettled trades recorded in other assets or other liabilities on the Consolidated Balance Sheets. Purchases and sales of private placements are recorded on the closing date.

Policy loans represent loans the Company issues to policyholders in return for a claim on the policyholder’s account value. Policy loans are reported at the unpaid principal balance. Interest income is recorded as earned using the contract interest rate and is reported in net investment income on the Consolidated Statements of Operations.

Short-term investments include securities and certain money market funds with remaining maturities of one year or less, but greater than three months, at the time of purchase and are stated at estimated fair value or amortized cost, which approximates fair value.

Fair value option securities are stated at estimated fair value and include investments for which the fair value option has been elected and investments that are actively purchased and sold (“Actively traded securities”). Actively traded securities principally include U.S. Treasury securities and U.S. Government authorities’ and agencies’ securities. Changes in estimated fair value of these securities are included in Investment related gains (losses), net, on the Consolidated Statements of Operations.

Other invested assets is comprised of Federal Home Loan Bank of Topeka (“FHLB”) common stock.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Investment Income and Investment Realized Gains and Losses

Investment income from fixed maturity securities primarily consists of interest and is recognized on an accrual basis using the effective yield method giving effect to amortization of premium and accretion of discount. Included within fixed maturities are loan-backed securities, including residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS") and asset-backed securities ("ABS"). Amortization of the premium or discount from the purchase of these securities considers the estimated timing and amount of prepayments of the underlying loans. Actual prepayment experience is periodically reviewed and effective yields are recalculated when differences arise between the prepayments originally anticipated and the actual prepayments received and currently anticipated. Prepayment assumptions for single-class and multi-class mortgage-backed securities ("MBS") and ABS are estimated by management using inputs obtained from third-party specialists, including broker-dealers, and based on management's knowledge of the current market. For prepayment-sensitive securities such as interest-only and principal-only strips, inverse floaters and credit-sensitive MBS and ABS securities, which represent beneficial interests in securitized financial assets that are not of high credit quality or that have been credit impaired, the effective yield is recalculated on a prospective basis. For all other MBS and ABS, the effective yield is recalculated on a retrospective basis.

Accrual of income from fixed maturities is suspended when the timing and amount of cash flows expected to be received is not reasonably estimable. It is the Company's policy to cease to carry accrued interest on debt securities that are over 90 days delinquent or where collection of interest is improbable and commercial mortgage loans in default if deemed uncollectible or over 180 days past due. The Company held no investments in non-accrual status as of December 31, 2023 (Successor) and 2022 (Predecessor). The Company held no commercial mortgage loans that were delinquent as of December 31, 2023 (Successor) and 2022 (Predecessor).

Recognition of investment income from investment funds is delayed due to the availability of the related financial statements, which are generally obtained from the partnerships' general partners. As a result, our private equity investments are on a three-month lag and our hedge funds are on a one-month lag.

Investment related gains (losses), net, include gains and losses on investment sales and write-downs in value due to expected credit losses. Realized capital gains and losses on investment sales, including principal payments, are determined on a first in first out ("FIFO") basis.

Portfolio Monitoring

The Company has a comprehensive portfolio monitoring process to identify and evaluate each fixed maturity security whose fair value may be less than its carrying value. In determining when a decline in fair value below amortized cost of a fixed maturity security is a credit loss, we evaluate available information, both positive and negative, in reaching our conclusions.

The Company's portfolio monitoring process includes a quarterly review of all securities to identify instances where the fair value of a security compared to its amortized cost is below established thresholds. The process also includes the monitoring of other impairment indicators such as ratings, ratings downgrades and payment defaults. The securities identified, in addition to other securities for which the Company may have a concern, are evaluated for potential other-than-temporary impairment using all reasonably available information relevant to the collectability or recovery of the security. Inherent in the Company's evaluation of other-than-temporary impairment for these fixed maturity securities are assumptions and estimates about the financial condition and future earnings potential of the issue or issuer. Some of the factors that may be considered in evaluating whether a decline in fair value is other than temporary are: 1) the financial condition, near-term and long-term prospects of the issue or issuer, including relevant industry specific market conditions and trends, geographic location and implications of rating agency actions and offering prices; 2) the specific reasons that a security is in an unrealized loss position, including overall market conditions which could affect liquidity; and 3) the length of time and

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

extent to which the fair value has been less than amortized cost. In making these evaluations, the Company exercises considerable judgment.

For each fixed maturity security in an unrealized loss position, the Company assesses whether management with the appropriate authority has made the decision to sell or whether it is more likely than not the Company will be required to sell the security before recovery of the amortized cost basis for reasons such as liquidity, contractual or regulatory purposes. If a security meets either of these criteria, The amortized cost of the investment is written down to fair value through earnings, and an credit loss is recognized in the current period.

If the Company has not made the decision to sell the fixed maturity security and it is not more likely than not the Company will be required to sell the fixed maturity security before recovery of its amortized cost basis, the Company evaluates whether it expects to receive cash flows sufficient to recover the entire amortized cost basis of the security. The Company calculates the estimated recovery value by discounting the best estimate of future cash flows at the security's original or current effective rate, as appropriate, and compares this to the amortized cost of the security. If the Company does not expect to receive cash flows sufficient to recover the entire amortized cost basis of the fixed maturity security, the credit loss component of the impairment is recorded in earnings, with the remaining amount of the unrealized loss related to other factors recognized in other comprehensive income.

Changes in the allowance for credit losses are recorded in Net realized capital gains (losses). Losses are charged against the allowance when the Company believes the uncollectability of a fixed maturity security is confirmed or when either of the criteria regarding intent or requirement to sell is met. Accrued interest receivable on fixed maturity securities is excluded from the estimate of credit losses.

Mortgage Loans

Mortgage loans consists of commercial mortgage loans ("CMLs"), residential mortgage loans ("RMLs") and consumer loans. They are acquired at fair value and are carried at amortized cost using the effective interest rate method. Mortgage loans currently held by the Company are diversified by property type and geographic area throughout the United States. Mortgage loans are considered impaired when it is determined that the Company will not collect amounts due according to the terms of the original loan agreement. The Company assesses the impairment of loans individually for all loans in the portfolio. The Company estimates the fair value of the underlying collateral using internal valuations generally based on discounted cash flow analyses. The Company estimates an allowance for loan and lease losses ("ALLL") representing potential credit losses embedded in the mortgage loan portfolio. The estimate is based on a consistently applied analysis of the loan portfolio and takes into consideration all available information, including industry, geographical, economic and political factors.

Mortgage loans are generally held for investment and are carried at amortized cost less an allowance for expected credit losses. Interest income is accrued on the principal amount of the loan based on the loan's contractual interest rate. Prepayment penalties are recognized as investment income when received. For mortgage loans on which collection of interest income is uncertain, we discontinue the accrual of interest and recognize it in the period when an interest payment is received. We typically do not resume the accrual of interest on mortgage loans on non-accrual status until there are significant improvements in the underlying financial condition of the borrower. We consider a loan to be delinquent if full payment is not received in accordance with the contractual terms of the loan.

We evaluate each of our mortgage loans individually for impairment and assign an internal credit quality rating based on a comprehensive rating system used to evaluate the credit risk of the loan. Although all available and applicable factors are considered in our analysis, loan-to-value and debt service coverage ratios are the most critical factors in determining impairment. We estimate an allowance for credit losses that we expect to incur over the life of our mortgage loans using a probability of default method. For each

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

loan, we estimate the probability that the loan will default before its maturity (probability of default) and the amount of the loss if the loan defaults (loss given default). These two factors result in an expected loss percentage that is applied to the amortized cost of each loan to determine the expected credit loss. As we are the original creditor of the mortgage loans, the amortized cost generally equals the principal amount of the loan. We measure losses on defaults of our mortgage loans as the excess amortized cost of the mortgage loan over the fair value of the underlying collateral in the event that we foreclose on the loan or over the expected future cash flows of the loan if we retain the mortgage loan until payoff. We do not purchase mortgage loans with existing credit impairments.

In estimating the probability of default, we consider historical experience, current market conditions, and reasonable and supportable forecasts about the future market conditions. We utilize our historical loan experience in combination with a large third-party industry database for a period of time that aligns with the average life of our loans based on the maturity dates of the loans and prepayment experience. Our model utilizes an industry database of the historical loss experience based on our actual portfolio characteristics such as loan-to-value, debt service coverage, collateral type, geography, and late payment history. In addition, because we actively manage our portfolio, we may extend the term of a loan in certain situations and will accordingly extend the maturity date in the estimate of probability of default. In estimating the loss given default, we primarily consider the type and value of collateral and secondarily the expected liquidation costs and time to recovery.

The primary market factors that we consider in our forecast of future market conditions are gross domestic product, unemployment rates, interest rates, inflation, commercial real estate values, household formation, and retail sales. We also forecast certain loan specific factors such as growth in the fair value and net operating income of collateral by property type. We include our estimate of these factors over a two-year period and for the remainder of the loans' estimated lives, adjusted for estimated prepayments. Past the two-year forecast period, we revert to the historical assumptions ratably by the end of the fifth year of the loan after which we utilize only historical assumptions.

We utilize various scenarios to estimate our allowance for expected losses ranging from a base case scenario that reflects normal market conditions to a severe case scenario that reflects adverse market conditions. We will adjust our allowance each period to utilize the scenario or weighting of the scenarios that best reflects our view of current market conditions. Additions and reductions to our allowance for credit losses on mortgage loans are reported as a component of net realized investment gains and losses.

Derivatives

Derivatives are financial instruments whose values are derived from interest rates, foreign exchange rates, financial indices, values of securities or commodities, credit spreads, market volatility, expected returns, and liquidity. Values can also be affected by changes in estimates and assumptions, including those related to counterparty behavior and non-performance risk ("NPR") used in valuation models. Derivative financial instruments generally used by the Company include swaps, forwards, futures and options and may be exchange-traded or contracted in the over-the-counter ("OTC") market. Certain of the Company's OTC derivatives are cleared and settled through central clearing counterparties, while others are bilateral contracts between two counterparties. Derivative positions are carried at fair value, generally by obtaining quoted market prices or through the use of valuation models.

Derivatives are used to manage the interest rate and currency characteristics of assets or liabilities. Additionally, derivatives may be used to seek to reduce exposure to interest rate and foreign currency risks associated with assets held or expected to be purchased or sold, and liabilities incurred or expected to be incurred.

As discussed in detail below and in Note 5, all realized and unrealized changes in fair value of derivatives are recorded in current earnings, with the exception of certain foreign currency hedges. Cash flows from derivatives are reported in the operating, investing or financing activities sections in the Consolidated

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Statements of Cash Flows based on the nature and purpose of the derivative. Derivatives are recorded either as assets, within Derivative assets, or as liabilities, within Accrued expenses and other liabilities, except for embedded derivatives which are recorded with the associated host contract. The Company nets the fair value of all derivative financial instruments with counterparties for which a master netting arrangement has been executed.

The Company designates derivatives as either (i) a hedge of a forecasted transaction; or (ii) a derivative that does not qualify for hedge accounting. To qualify for hedge accounting treatment, a derivative must be highly effective in mitigating the designated risk of the hedged item. Effectiveness of the hedge is formally assessed at inception and throughout the life of the hedging relationship. The Company formally documents at inception all relationships between hedging instruments and hedged items, as well as, its risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives designated as hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions.

When a derivative is designated as a cash flow hedge and is determined to be highly effective, changes in its fair value are recorded in AOCI until earnings are affected by the variability of cash flows being hedged (e.g., when periodic settlements on a variable-rate asset or liability are recorded in earnings). At that time, the related portion of deferred gains or losses on the derivative instrument is reclassified and reported in the Consolidated Statements of Operations line item associated with the hedged item. If it is determined that a derivative no longer qualifies as an effective hedge or management removes the hedge designation, the derivative will continue to be carried on the balance sheet at its fair value, with changes in fair value recognized currently in Investment related gains (losses), net.

When hedge accounting is discontinued because the hedged item no longer meets the definition of a firm commitment, or because it is probable that the forecasted transaction will not occur by the end of the specified time period, the derivative will continue to be carried on the balance sheet at its fair value, with changes in fair value recognized currently in Investment related gains (losses), net. Any asset or liability that was recorded pursuant to recognition of the firm commitment is removed from the balance sheet and recognized currently in Investment related gains (losses), net. Gains and losses that were in AOCI pursuant to the hedge of a forecasted transaction are recognized immediately in Investment related gains (losses), net.

If a derivative does not qualify for hedge accounting, all changes in its fair value, including net receipts and payments, are included in Investment related gains (losses), net, without considering changes in the fair value of the economically associated assets or liabilities.

An embedded derivative is a derivative instrument that is embedded in another contract, the 'host contract'. If it is determined that the characteristics of the embedded derivative are not clearly related to the host contract and a separate instrument with the same terms would qualify as a derivative instrument, it is bifurcated from the host contract and accounted for separately, unless the fair value option is elected for the host contract. Under the fair value option, bifurcation of the embedded derivative is not necessary as all related gains and losses on the host contract and derivative are included within Investment related gains (losses), net on the Consolidated Statements of Operations. Embedded derivatives are carried on the Consolidated Balance Sheets at fair value in the same line item as the host contract.

Funds Withheld Assets and Liabilities

Funds withheld by ceding companies, including those withheld under modco contracts, consist mainly of amounts retained by the ceding company for business written on a funds withheld basis. Funds withheld assets are assets that would normally be paid to the Company but are withheld by the cedant to reduce the potential credit risk of the reinsurer.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Funds withheld assets and liabilities represent the receivable or payable for the amounts withheld in accordance with the reinsurance agreement in which the Company acts as the reinsurer or the cedant. While the assets in modco trusts are legally owned by the ceding company, the assets are legally segregated from the general accounts of the cedants and all economic rights and obligations on the assets accrue to the Company. The Company periodically settles interest accruing to those assets and investment gains, as defined by the terms of the agreements. The underlying agreements contain embedded derivatives as defined by the ASC 815, *Derivatives and Hedging*, and as a result the carrying value of the funds withheld assets and liabilities are equal to the fair value of the underlying assets. The change in the fair value of the embedded derivatives related to the change in unrealized gain or loss on the underlying securities is recorded in Net investment related gains (losses), net, on the Consolidated Statements of Operations.

Reinsurance

Reinsurance accounting is applied to both business ceded and assumed where the risk transfer provisions of ASC 944-40 Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts have been met. To meet risk transfer requirements, a long-duration reinsurance contract must transfer mortality or morbidity risks and subject the reinsurer to a reasonable possibility of a significant loss due to insurance risk. Those contracts that do not meet risk transfer requirements are accounted for using deposit accounting. The fair value of the consideration received for business assumed which meets risk transfer requirements is included in the premiums line of the Consolidated Statements of Operations. Changes to assumed reserves, interest credited and benefits paid are presented net in the policyholder benefits line on the Consolidated Statements of Operations. With respect to ceded reinsurance, the Company values reinsurance recoverables on reported claims at the time the underlying claim is recognized in accordance with contract terms. For future policy benefits, the Company estimates the amount of reinsurance recoverables based on the terms of the reinsurance contracts and historical reinsurance recovery information. The reinsurance recoverables are based on what the Company believes are reasonable estimates and the balance is reported as an asset in the Consolidated Balance Sheets. The ultimate amount of the reinsurance recoverable is not known until all claims are settled.

Reinsurance contracts do not relieve the Company from its obligations to policyholders, and failure of reinsurers to honor their obligations could result in losses to the Company; consequently, credit loss allowances are established for amounts deemed uncollectible. Premiums, fees and policyholder benefits and claims include amounts assumed under reinsurance agreements and are net of reinsurance ceded. Amounts received from reinsurers for policy administration are reported in other expenses.

Value of Business Acquired and Deferred Acquisition Costs

VOBA represents the excess of book value over the estimated fair value of acquired insurance, annuity, and investment-type contracts in force at the acquisition date. For certain acquired blocks of business, the estimated fair value of the in-force contract obligations exceeded the book value of assumed in-force insurance policy liabilities, resulting in negative VOBA, which is presented separately from VOBA as an additional insurance liability included in other policy-related balances. The estimated fair value of the acquired obligations is based on projections, by each block of business, of future policy and contract charges, premiums, mortality and morbidity, separate account performance, surrenders, expenses, investment returns, nonperformance risk adjustment and other factors. Actual experience on the purchased business may vary from these projections.

VOBA is amortized over the estimated lives of the contracts in proportion to actual and expected gross margins or on a basis consistent with the economics of the product. VOBA is reviewed quarterly for loss recognition to ensure that the unamortized balance is recoverable from future earnings from the business. The carrying amount of VOBA is adjusted for the effects of unrealized gains and losses on debt securities classified as AFS if the VOBA amortization is based on revenues or profits.

Negative VOBA is amortized over the policy period in proportion to the approximate consumption of losses included in the liability usually expressed in terms of insurance in-force or account value. Negative

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

VOBA is not adjusted for the effects of unrealized gains and losses on debt securities classified as AFS. Such amortization is recorded as an offset in Policyholder Benefits line on the Consolidated Statements of Operations.

The Company incurs costs, generally, in connection with renewal insurance business. Costs that are related directly to the successful issuance or renewal of insurance contracts are capitalized as DAC. Such costs include incremental direct costs of contract acquisition, such as commissions, the portion of an employee's total compensation and benefits related to time spent underwriting or processing the issuance of new and renewal insurance business only with respect to actual policies acquired or renewed; and any other essential direct costs that would not have been incurred had a policy not been acquired or renewed.

All other acquisition-related costs, including those related to general advertising and solicitation, market research, agent training, product development, and underwriting efforts, as well as all indirect costs, are expensed as incurred.

Where the fair value of the consideration received for reinsurance transactions does not equal the liabilities reinsured, the difference is recognized on the Consolidated Balance Sheets as either a deferred acquisition cost ("DAC") or as a deferred profit liability ("DPL"). The consideration received is calculated as the fair value of any assets received, inclusive of any ceding commission paid or payable less the insurance liabilities reinsured. DAC is recognized with value of business acquired ("VOBA") as a separate line of the Consolidated Balance Sheet and DPL is included within the applicable reserves balance to which it relates.

Goodwill

The Company recognizes the excess of the purchase price, plus the fair value of any noncontrolling interest in the acquiree, over the fair value of identifiable net assets acquired as goodwill. Goodwill is not amortized, but is reviewed for impairment annually and more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. Refer to Note 17. Goodwill for the period-on-period roll-forward.

Separate Account Assets and Liabilities

The Company offered traditional variable annuity contracts through its separate accounts for which investment income and investment gains and losses accrue directly to the policyholder. Separate account assets and liabilities generally represent funds maintained to meet specific investment objectives of contract owners or participants who bear all of the investment risk. The assets of each account are legally segregated and are not subject to claims that arise out of any other business of the Company.

Separate account assets supporting these variable options under variable life and annuity contracts are invested, as designated by the policyholder, in shares of selected mutual funds. All net investment experience, positive or negative, is attributed to the policyholder's account balance and presented in Separate account liabilities on the Consolidated Balance Sheets.

The Company also offered variable annuity contracts with general and separate account options where the Company contractually guarantees to the policyholder a return of no less than total deposits made to the contract less any partial withdrawals ("return of net deposits"). In certain of these variable annuity contracts, the Company also contractually guarantees to the policyholder a return of no less than (1) total deposits made to the contract less any partial withdrawals plus a minimum return ("minimum return"); and/or (2) the highest contract value on a specified date adjusted for any withdrawals ("contract value"). These guarantees include benefits that are payable in the event of death, annuitization or at specified dates during the accumulation period and withdrawal and income benefits payable during specified periods. The Company also issued annuity contracts with and without market value adjusted investment options, which provide for a return of principal plus a fixed rate of return if held to maturity, or alternatively, a "market adjusted value" if surrendered prior to maturity or if funds are allocated to other investment options. The

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

market value adjustment may result in a gain or loss to the Company, depending on crediting rates or an indexed rate at surrender, as applicable.

The assets supporting the variable portion of both traditional variable annuities and certain variable contracts with guarantees are carried at fair value and reported as Separate account assets with an equivalent amount reported as Separate account liabilities. Amounts assessed against the policyholders for mortality, administration, and other services are included within revenue in Fee income in the Consolidated Statements of Operations and changes in liabilities for minimum guarantees are generally included in Policyholder benefits in the Consolidated Statements of Operations, see below for further discussion over these liabilities in Future Policy Benefits and Other Policyholder Liabilities.

For those guarantees of benefits that are payable in the event of death, the net amount at risk is generally defined as the current guaranteed minimum death benefit in excess of current account balance at the balance sheet date. The Company's primary risk exposures for these contracts relates to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including fixed income and equity market returns, contract lapses and contract holder mortality.

For guarantees of benefits that are payable at annuitization, the net amount at risk is generally defined as the present value of the minimum guaranteed annuity payments available to the contract holder determined in accordance with the terms of the contract, in excess of the current policyholder account balance. The Company's primary risk exposures for these contracts relates to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including fixed income and equity market returns, contract lapses and policyholder mortality.

For guarantees of benefits that are payable at withdrawal, the net amount at risk is generally defined as the present value of the minimum guaranteed withdrawal payments available to the policyholder determined in accordance with the terms of the contract in excess of the current policyholder account balance. The Company's primary risk exposures for these contracts relates to actual deviations from, or changes to, the assumptions used in the original pricing of these products, including equity market returns, interest rates, market volatility or policyholder behavior used in the original pricing of these products.

Future policy benefits and other policyholder liabilities

The Company's insurance contracts include life insurance, disability income insurance, and single premium immediate annuities with significant mortality risk. Life insurance and disability income insurance include both individual and group contracts, classified as either long-duration or short duration.

Policy liabilities are estimated for future policy benefits that are not in a claims-paying status, to meet the estimated future obligations of these policies. Changes in policy and contract claims are recorded in policyholder benefits in the Consolidated Statements of Operations.

The Company holds additional liabilities for its no lapse and secondary guarantees (associated with universal life), guaranteed lifetime withdrawal benefits ("GLWB") (associated with fixed indexed annuities), guaranteed minimum income benefits ("GMIB") (associated with variable annuities) and guaranteed minimum death benefits ("GMDBs"). GLWB is a non-optional benefit where the policyholder is entitled to withdraw up to a specified amount of their benefit base each year. Additional liabilities for no lapse and secondary guarantees on universal life products, GLWB, GMIB and GMDB are calculated based on the application of a benefit ratio (the present value of total expected benefit payments in excess of the policyholder account balance over the life of the contract divided by the present value of total expected assessments over the life of the contract). The level and direction of the change in reserves will vary over time based on the emergence of actual experience and revisions to future assumptions.

The reserves for certain living benefit features, including guaranteed minimum withdrawal benefits ("GMWB") and guaranteed minimum withdrawal benefits with life payouts ("GMWBL") are accounted for

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

as embedded derivatives, with fair values calculated as the present value of expected future benefit payments in excess of the policyholder account balance to contract holders less the present value of assessed rider fees attributable to the embedded derivative feature. This methodology could result in either a liability or contra-liability balance, given changing capital market conditions and various actuarial assumptions. Changes in the fair value of the GMWB and GMWBL embedded derivatives are reported in Policyholder benefits on the Consolidated Statements of Operations.

For products categorized as long-duration contracts (individual life and disability income products, as well as payout contracts with life contingencies), reserves are computed using the net level premium method and are based on estimates as to future investment yields and as well as mortality, morbidity, and other key assumptions that are based on the Company's initial determination of best estimate expected experience and include provisions for adverse deviation as at the date of acquisition or underwriting. Contracts categorized as short-duration result in the establishment of a reserve based upon unearned premium.

Profit or losses generated within RLAL's participating funds are allocated between shareholders and participating policyholders in accordance with the Australia Life Insurance Act 1995. Profits or losses allocated to participating policyholders are recognized as a change in Policyholder benefits in the Consolidated Statements of Operations. Profits or losses allocated to shareholders are recognized as they are earned in the Consolidated Statements of Operations.

Policy liabilities are established for unpaid claims, to meet the estimated future obligations of policies in-force and in claims-paying status. Changes in policy and contract claims are recorded in policyholder benefits in the Consolidated Statements of Operations.

Contract claim liabilities are computed using estimates as to future investment yields as well as mortality, morbidity, and other key assumptions as of the reporting date. Mortality, morbidity, and other key assumptions are based on the Company's initial determination of best estimate expected experience without provisions for adverse deviation. Liabilities are held for policies with a known claims-paying event as well as an estimate of policies for which a claims-paying event has been incurred but not yet reported.

Other policy-related balances include policy and contract claims, premiums received in advance, unearned revenue liabilities, obligations assumed under structured settlement assignments, policyholder dividends due and unpaid, and policyholder dividends left on deposit.

Policy liabilities and accruals are based on the various estimates discussed above. Although the adequacy of these amounts cannot be assured, the Company believes that policy liabilities and accruals will be sufficient to meet future obligations of policies in-force. The amount of liabilities and accruals, however, could be revised if the estimates discussed above are revised.

Policyholder Liabilities, at Estimated Fair Value

Prior to the acquisition by the New Partnership, the Company has made an election to hold reserves for policyholder liabilities at fair value for certain structured settlements, single premium immediate and deferred annuities assumed by RRL. The fair value reserve estimate is based on a discounted liability cash flow methodology. The discount rates are determined using current market risk-free interest rates, including a spread to reflect the illiquidity of the liabilities. The discounted liability cash flow methodology also includes expense assumptions and assumptions about future mortality rates of policyholders, updated on an ongoing basis to reflect recent credible experience. Changes to the assumed reserves, benefits paid and deposits and withdrawals are presented net in the changes in Policyholder Liabilities at Estimated Fair Value line on the Consolidated Statements of Operations.

Subsequent to the acquisition by the New Partnership, the company did not elect to continue hold the reserves for certain structured settlements, single premium immediate and deferred annuities assumed by RRL at fair value. Instead these liabilities are now valued consistent with the other future policy benefits

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

and other policyholder liabilities. The impact of this change in accounting policy did not affect the Predecessor financial results. The impact of this change did affect the Successor financial results with no amount being recognized for the change in policyholder liabilities at fair value.

Policy liabilities and accruals are based on the various estimates discussed above. Although the adequacy of these amounts cannot be assured, the Company believes that policy liabilities and accruals will be sufficient to meet future obligations of policies in-force. The amount of liabilities and accruals, however, could be revised if the estimates and assumptions discussed above are revised.

Policyholders' Account Balances

Policyholders' account balances represent interest-bearing liabilities arising from the acquisition, reinsurance, or sale of products such as participating investment contracts, fixed annuities, universal life-type contracts and also includes retained asset balances, which represent the death benefit on a life insurance contract that the policyholder has elected to keep on deposit with the Company. Policyholders' account balances for investment accounts in which the policyholder participates in the performance of the block are the sum of amount credited to the policyholder (cumulative deposits received and interest credited to the contracts less cumulative contract benefits, surrenders, withdrawals and contract charges for mortality or administrative expenses), and an allowance for certain amounts not yet credited, which is in effect the policyholders' share of assets in excess of the those amounts already credited to the policyholder.

Policyholders' account balances for fixed indexed life and annuity policies with returns linked to the performance of a specified market index are equal to the sum of the fair value of the embedded derivatives and the host (or guaranteed) component over the policyholder account balance. The change in the fair value of the embedded derivative is linked to the performance of the specified market index. The host value is established as of the date of acquisition and is equal to the account value, plus the value of the unexpired options at the date of acquisition, less the embedded derivative, and accreted over the policy's life at a constant rate of interest.

Recognition of Premium Revenues and Fees, and Related Policyholders' Benefits

Life insurance and disability income products consist principally of products whereby the premiums and benefits are fixed by the Company. Premiums from these products are recognized as revenue when due from policyholders. Surrenders on traditional life and death benefits are reflected in policyholder benefits.

Immediate annuities with significant mortality risk provide insurance protection over a period that extends beyond the period during which premiums are collected. Premiums from these products are recognized as revenue when received at the inception of the contract. Benefits and expenses are recognized in relation to premiums. Interest-sensitive life contracts, such as universal life and single premium life, are insurance contracts whose terms are not fixed and guaranteed. The terms that may be changed include premiums paid by the policyholder, interest credited to the policyholder account balance and contract charges assessed against the policyholder account balance. Premiums from these contracts are reported as policyholder account balances. Fee income from policyholders consist of fees assessed against the policyholder account balance for the cost of insurance (mortality risk), contract administration and surrender of the policy prior to contractually specified dates. These charges are recognized as revenue when assessed against the policyholder account balance. Policyholder benefits include life-contingent benefit payments in excess of the policyholder account balance.

Contracts that do not subject the Company to significant risk arising from mortality or morbidity are referred to as investment contracts. Investment accounts and annuities without significant mortality risk are considered investment contracts. Consideration received for such contracts is reported as policyholder account balance deposits. Policy fees for investment contracts consist of fees assessed against the contract holder account balance for maintenance, administration and surrender of the contract prior to contractually specified dates and are recognized when assessed against the policyholder account balance.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Other Assets, Accrued Expenses and Other Liabilities

Other assets consist of receivables from affiliates, accounts and premium receivable, current income taxes receivable, intangibles, property, plant and equipment and right of use lease assets. Accrued expenses and other liabilities consist primarily of accrued expenses, current income taxes payable, deferred purchase consideration, reinsurance and commissions payable, lease liabilities and payables resulting from purchases of securities that had not yet been settled at the balance sheet date.

Foreign Exchange

Monetary assets and liabilities denominated in a currency other than the functional currency of the Company's subsidiaries in which those monetary assets and liabilities reside are revalued into such subsidiary's functional currency at the prevailing exchange rate on the balance sheet date. Revenues and expenses denominated in a currency other than the functional currency of the Company's subsidiaries, are valued at the exchange rate on the date on which the underlying revenue or expense transaction occurred. The net effect of these revaluation adjustments are recognized in the Company's Consolidated Statements of Operations as part of net foreign exchange (gains) losses.

The Company's functional currency is the U.S. dollar. Certain of the Company's subsidiaries have a functional currency other than the U.S. dollar. Assets and liabilities of foreign operations whose functional currency is not the U.S. dollar are translated into the Company's U.S. dollar reporting currency at prevailing balance sheet-date exchange rates, while revenue and expenses of such foreign operations are translated into the Company's U.S. dollar functional currency at annual average exchange rates during the year. The net effect of these translation adjustments, as well as any gains or losses on intercompany balances for which settlement is not planned or anticipated in the foreseeable future is included in the Company's Consolidated Balance Sheet as currency translation adjustments and reflected within accumulated other comprehensive income (loss).

Income Taxes

The Company's income taxes are provided for using the asset and liability method under which deferred tax assets and liabilities are recognized for temporary differences between the financial statement and income tax bases of assets and liabilities.

The Company's deferred tax assets and liabilities resulting from temporary differences between financial reporting and tax bases of assets and liabilities are measured at the balance sheet date using enacted tax rates expected to apply to taxable income in the years the temporary differences are expected to reverse. Deferred tax assets represent the tax benefit of future deductible temporary differences, net operating loss carryforwards and tax credit carryforwards. The Company evaluates and tests the recoverability of its deferred tax assets. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence, it is more likely than not that some portion, or all, of the deferred tax assets will not be realized.

In evaluating the need for a valuation allowance, the Company considers many factors, including: (i) the nature, frequency and severity of book income or losses in recent years; (ii) the nature and character of the deferred tax assets and liabilities; (iii) the nature and character of income by life and non-life subgroups; (iv) the recent cumulative book income (loss) position after adjustment for permanent differences; (v) taxable income in prior carryback years; (vi) projected future taxable income, exclusive of reversing temporary differences and carryforwards; (vii) projected future reversals of existing temporary differences; (viii) the length of time carryforwards can be utilized; (ix) prudent and feasible tax planning strategies the Company would employ to avoid a tax benefit from expiring unused; and (x) tax rules that would impact the utilization of the deferred tax assets. In establishing unrecognized tax benefits, the Company determines whether a tax position is more likely than not to be sustained under examination by the appropriate taxing authority.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Reclassifications

Certain amounts in the prior years' consolidated financial statements and related footnotes thereto have been reclassified to conform to the current year presentation. These reclassifications had no impact on Net Income (Loss) or Total Shareholder's Equity.

Recently Issued Accounting Standards:

Accounting Standards Codification (ASC)	Description	Date of Adoption	Impact on Financial Statements
ASC 740 "Income Taxes"	<p>The new guidance simplifies the accounting for income taxes by removing certain exceptions to the tax accounting guidance and providing clarification to other specific tax accounting guidance to eliminate variations in practice. Specifically, it removes the exceptions related to the a) incremental approach for intraperiod tax allocation when there is a loss from continuing operations and income or a gain from other items, b) recognition of a deferred tax liability when foreign investment ownership changes from equity method investment to consolidated subsidiary and vice versa and c) use of interim period tax accounting for year-to-date losses that exceed anticipated losses.</p> <p>The guidance also simplifies the application of the income tax guidance for franchise taxes that are partially based on income and the accounting for tax law changes during interim periods, clarifies the accounting for transactions that result in a step-up in tax basis of goodwill, provides for the option to elect allocation of consolidated income taxes to entities disregarded by taxing authorities for their stand-alone reporting, and requires that an entity reflect the effect of an enacted change in tax laws or rates in the annual effective tax rate computation in the interim period that includes the enactment date.</p>	January 1, 2022	The Company adopted this guidance prospectively and it did not have a material impact on the Company's consolidated financial statements.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Accounting Standards Codification (ASC)	Description	Date of Adoption	Impact on Financial Statements
ASC 848 “Reference Rate Reform”	<p>The guidance provides temporary guidance to ease the potential burden in accounting for, or recognizing the effects of, reference rate reform, which includes the transition away from the London Interbank Offered Rate (“LIBOR”) and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate.</p> <p>This new guidance provides optional practical expedients and exceptions for applying generally accepted accounting principles to investments, derivatives or other transactions affected by reference rate reform such as those that impact the assessment of derivative hedge effectiveness and contract modifications, to include continuing hedge accounting when certain critical terms of a hedging relationship change and modifying certain effectiveness assessments to exclude certain potential sources of ineffectiveness.</p> <p>The new guidance was updated to clarify that the optional practical expedients and exceptions can be applied to derivatives that use an interest rate for margining, discounting, or contract price alignment. In addition to the optional practical expedients, the guidance includes a general principle that permits an entity to consider contract modifications due to reference rate reform to be an event that does not require contract remeasurement at the modification date or reassessment of a previous accounting determination.</p>	Adoption is permitted as of the beginning of the interim period that includes March 12, 2020 (the issuance date of the update), or any date thereafter, through December 31, 2022, at which point the guidance will sunset	The Company adopted this guidance prospectively and it did not have a material impact on the consolidated financial statements or disclosures.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Accounting Standards Codification (ASC)	Description	Date of Adoption	Impact on Financial Statements
ASC 326 "Financial Instruments – Credit Losses"	<p>This update amended the guidance on the impairment of financial instruments. The update added an impairment model known as the current expected credit loss ("ECL") model that is based on expected losses rather than incurred losses and will generally result in earlier recognition of allowances for losses. The ECL model applies to financial instruments such as mortgage loans, fixed maturity securities classified as held-to-maturity, and certain receivables.</p> <p>For available-for-sale fixed maturity securities, the update was applied prospectively. Other-than-temporary impairment losses recognized on available-for-sale fixed maturity securities prior to adoption of the update cannot be reversed. This guidance was applied in the period of adoption.</p>	January 1, 2023	See the summary table below for the financial statement impacts of this adoption on our financial statement line items at January 1, 2023. In addition, see Note 3 of the "Notes to Consolidated Financial Statements" for the additional disclosures required by the update

Summary of Financial Statement Impacts of Accounting Updates Adopted in 2023:

Adjustments due to ASC 326		Balance at December 31, 2022	Balance at January 1, 2023	Effect of Change
Interim Condensed Consolidated Balance Sheets				
Assets				
	Available for Sale Securities	\$ 26,582,370	26,579,855	2,515
	Mortgage Loans	2,728,522	2,720,614	7,908
	Reinsurance Recoverable	15,712,761	15,712,761	–
	Accounts and Premiums Receivable	499,134	499,134	–
Liabilities				
	Deferred tax liability	\$ (503,572)	(501,383)	(2,189)
Stockholders' Equity				
	Accumulated other comprehensive income (loss)	\$ (4,512,793)	(4,510,806)	1,987
	Retained Earnings	(3,445,975)	(3,454,209)	(8,234)

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Accounting Standards Codification (ASC)	Description	Date of Adoption	Impact on Financial Statements
ASC 944 “Financial Services – Insurance”	<p>This update revises key elements of the measurement model used to estimate the liability for future policy benefits for traditional and limited-payment contracts as well as disclosure requirements. These key elements are:</p> <ul style="list-style-type: none"> • The cash flow assumptions used to measure the liability for future policy benefits are required to be updated at least annually, which differs to the current ‘locked-in’ approach, and no longer allows a provision for adverse deviation. The remeasurement of the liability due to the update of assumptions is required to be recognized in net income. • The discount rate used to measure the liability for future policy benefits is required to be discounted using an upper-medium grade fixed-income instrument yield that reflects the characteristics of the liability, rather than the invested assets that supports the liability. The discount rate is required to be updated quarterly with the impact to the benefit liability being recognized in other comprehensive income. • Simplification of the amortization of deferred acquisition costs and other balances amortized in proportion to premiums, gross profits or gross premiums, requiring such balances to be amortized on a constant level basis over the expected life of the contract. Deferred costs are not subject to impairment testing but instead will be amortized as long as the related contracts remain outstanding. • Extensive additional disclosures of the liability for future policy benefits, policyholder account balances and deferred acquisition costs. This includes disaggregated rollforwards of these balances and information about significant inputs, judgements, assumptions and methods used in their measurement. 	January 1, 2025	The Company is currently evaluating the impact on the consolidated financial statements and evaluating an implementation date.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

ASU 2023-09 “Income Taxes - Improvements to Income Tax Disclosures”	The amendments in this update revise certain disclosures on income taxes including rate reconciliation, income taxes paid, and certain amendments on disaggregation by federal, state and foreign taxes.	January 1, 2026	The Company is currently evaluating the impact on the consolidated financial statements and evaluating an implementation date.
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3. Business Combinations

Blackstone Transaction

On October 2, 2023, Resolution Life Group Holdings L.P. (“Resolution LP”) and Rome Holdco L.P. (“Blackstone”) completed a Master Transaction Agreement (“MTA”) pursuant to which the Resolution LP contributed 7,201 common shares issued and outstanding of Resolution Life Group Holdings Ltd. (the “Company”, “RLGH Ltd”) and its respective direct and indirect subsidiaries, to a newly-formed Bermuda domiciled partnership (“Blackstone ISG Investment Partners – R (BMU) L.P.” or the “New Partnership”). An affiliate of Blackstone serves as the general partner of the New Partnership and as an investment manager for the assets supporting insurance business of the New Partnership’s subsidiaries.

In exchange for the transfer of the shares of RLGH Ltd., Resolution LP received consideration in the form of limited partnership interest in the New Partnership, valued at \$6.087 billion.

The transaction valued the Group at \$6.25 billion, subject to certain purchase price adjustments, namely payment of dividends of \$165 million during the period from date of the initial agreement (March 31, 2022) and the closing date (October 2, 2023).

Under the acquisition method of accounting, the assets acquired, and liabilities assumed are recorded at fair value at the date of acquisition. The assessment of fair value in accordance with ASC 805-20-25, Business Combinations, included the establishment of goodwill and intangible assets for VOBA.

VOBA represents the estimated fair value of future net cash flows from in-force life insurance contracts acquired at the acquisition date. The weighted average estimated useful life of VOBA is approximately 50 years.

The goodwill of \$513 million has been recorded based on the amount that the purchase price exceeds the fair value of the net assets acquired. Goodwill is primarily attributable to the scale, skill sets, operations, and synergies that can be achieved subsequent to the acquisition, and is not expected to be deductible for tax purposes. The goodwill calculation, based on values available at the reporting date and subject to measurement period adjustments is below.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Consideration	
Equity rollover	6,087,000
Total Consideration	\$ 6,087,000
Assets	
Investments:	
Fixed maturity securities, available-for-sale, at fair value	27,628,992
Fixed maturity securities, fair value option	285,571
Equity securities	6,306,958
Investment funds	4,218,044
Mortgage loans, net	2,885,959
Policy loans, net	1,967,435
Short-term investments, net	2,172,822
Derivative assets	526,827
Other invested assets	76,043
Total investments	46,068,651
Cash and cash equivalents	3,985,331
Receivables for securities sold	201,355
Accrued investment income	345,803
Funds withheld asset	18,519,162
Premiums receivable - net	685,333
Reinsurance recoverable, net	3,126,723
Value of business acquired and deferred acquisition costs	10,856,524
Other assets	792,634
Separate account assets	1,407,597
Total assets acquired	\$ 85,989,113
Liabilities	
Future policy benefits and other policyholder liabilities	31,188,857
Policyholder account balances	40,583,407
Long-term debt	3,183,140
Accrued expenses and other liabilities	3,540,333
Separate account liabilities	1,407,597
Total liabilities acquired	\$ 79,903,334
Total identifiable net assets	\$ 6,085,779
Fair value of non-controlling interest	511,459
Goodwill	512,680
Total consideration transferred	\$ 6,087,000

AIA Transaction

On July 1, 2023, the Company completed the acquisition of the AIA Superannuation and Investment life insurance business of AIA Australia Limited. The acquisition delivers significant scale and benefits for customers in Australasia and was approved by the Federal Court of Australia, with policyholders transferred to the Company effective from July 1, 2023. The fair value of net assets acquired was determined to be \$127 million and a purchase price of \$127 million was paid. \$117 million was settled in cash and \$21 million (with a present value of \$9 million) was deferred.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

4. Investments

The amortized cost, gross unrealized gains, gross unrealized losses, fair value and allowance for credit losses for AFS investments by asset type as of December 31, 2023 (Successor) and 2022 (Predecessor) were as follows:

December 31, 2023 (Successor)

(\$ in thousands)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
Fixed maturity securities -AFS					
U.S. government and agencies	\$ 823,339	\$ 35,409	\$ (5,862)	\$ -	\$ 852,886
U.S. municipal	1,015,255	32,754	-	-	1,048,009
Foreign government	3,192,511	179,022	(16,726)	-	3,354,807
Corporate	14,570,647	1,095,907	(62,563)	-	15,603,991
Asset backed securities	3,577,070	38,509	(3,900)	(11)	3,611,668
Residential mortgage-backed securities	1,716,867	72,926	(1,227)	(495)	1,788,071
Commercial mortgage-backed securities	3,018,905	81,750	(21,184)	(64)	3,079,407
Other	20,504	2,591	(666)	-	22,429
Total fixed maturity securities - AFS	\$ 27,935,098	\$ 1,538,868	\$ (112,128)	\$ (570)	\$ 29,361,270

December 31, 2022 (Predecessor)

(\$ in thousands)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed maturity securities -AFS				
U.S. government and agencies	\$ 401,840	\$ -	\$ (101,664)	\$ 300,176
U.S. municipal	990,843	-	(236,385)	754,458
Foreign government	3,723,041	18,070	(545,031)	3,196,080
Corporate	20,917,615	16,889	(4,577,455)	16,357,049
Asset backed securities	2,304,224	201	(118,804)	2,185,621
Residential mortgage-backed securities	2,061,782	730	(456,341)	1,606,171
Commercial mortgage-backed securities	2,799,891	416	(617,492)	2,182,815
Total fixed maturity securities -AFS	\$ 33,199,236	\$ 36,306	\$ (6,653,172)	\$ 26,582,370

The changes in unrealized gains and losses and cumulative translation adjustment included in accumulated other comprehensive income (loss) ("AOCI") were as follows for the period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022:

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

<i>(\$ in thousands)</i>	Net Unrealized Gain (Losses) on Investments	Cumulative Translation Adjustment	Net Unrealized Gains (Losses) on Hedging Activities	Future Policy Benefits, Policyholders' Account balances and VOBA	Cumulative effect of CECL	Accumulated Other Comprehen sive Income (Loss)
Balance, January 1, 2022 (Predecessor)	\$ (295,775)	\$ 73,407	\$ (33,696)	\$ 151,730	\$ -	\$ (104,334)
Net investment gains and losses on investments arising during the period	(6,433,932)	-	72,221	(3,579)	-	(6,365,290)
Reclassification adjustment for gains and losses included in net income	263,630	-	-	-	-	263,630
Impact of net unrealized investment gains and losses on future policy benefits and policyholder's account balances	-	-	-	1,868,478	-	1,868,478
Deferred income tax (expense) benefit	1,230,399	-	(818)	(369,185)	-	860,396
Accumulated other comprehensive (income)/loss attributable to NCI	69,013	2,578	-	(30,363)	-	41,228
Effect of foreign currency translation on consolidation	(1,558)	(199,290)	-	-	-	(200,848)
Tax Valuation allowance	(876,053)	-	-	-	-	(876,053)
Balance, December 31, 2022 (Predecessor)	\$ (6,044,276)	\$ (123,305)	\$ 37,707	\$ 1,617,081	\$ -	\$ (4,512,793)
Net investment gains and losses on investments arising during the period	(674,366)	-	23,443	9,722	-	(641,201)
Reclassification adjustment for gains and losses included in net income	594,618	-	-	-	-	594,618
Impact of net unrealized investment gains and losses on future policy benefits, policyholder's account balances, and VOBA	-	-	-	(78,789)	-	(78,789)
Deferred income tax (expense) benefit	678	-	468	14,889	-	16,035
Cumulative effect of adoption of accounting standards	-	-	-	-	1,987	1,987
Effect of foreign currency translation on consolidation	(5,114)	(99,156)	-	-	-	(104,270)
Tax valuation allowance	52,798	-	-	-	-	52,798
Balance, October 1, 2023 (Predecessor)	\$ (6,075,662)	\$ (222,461)	\$ 61,618	\$ 1,562,903	\$ 1,987	\$ (4,671,615)
Balance, October 2, 2023 (Successor)	-	-	-	-	-	-
Net investment gains and losses on investments arising during the period	1,571,968	-	(26,505)	-	-	1,545,463
Reclassification adjustment for gains and losses included in net income	(79,565)	-	-	-	-	(79,565)
Impact of net unrealized investment gains and losses on future policy benefits, policyholder's account balances, and VOBA	-	-	-	(743,898)	-	(743,898)
Deferred income tax (expense) benefit	(263,902)	-	-	147,698	-	(116,204)
Effect of foreign currency translation on consolidation	-	97,358	-	-	-	97,358
Tax valuation allowance	100,571	-	-	-	-	100,571
Balance, December 31, 2023 (Successor)	\$ 1,329,072	\$ 97,358	\$ (26,505)	\$ (596,200)	\$ -	\$ 803,725

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Unrealized Investment Losses

The following table presents available-for-sale fixed maturities in an unrealized loss position, including securities pledged, for which an allowance for credit losses has not been recorded by market sector and duration as of December 31, 2023 (Successor) and 2022 (Predecessor):

December 31, 2023 (Successor)	Less than 12 months		Greater than 12 months		Fair Value	Gross Unrealized Losses
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses		
<i>(in thousands)</i>						
Fixed maturity securities						
U.S. Government and agencies	\$ 371,797	\$ (5,862)	\$ -	\$ -	\$ 371,797	\$ (5,862)
U.S. municipal	-	-	-	-	-	-
Foreign government	161,415	(16,726)	-	-	161,415	(16,726)
Corporate	745,995	(62,563)	-	-	745,995	(62,563)
Asset backed securities	276,227	(3,900)	-	-	276,227	(3,900)
Residential mortgage-backed securities	476,376	(1,227)	-	-	476,376	(1,227)
Commercial mortgage-backed securities	791,405	(21,184)	-	-	791,405	(21,184)
Other mortgages	-	(666)	-	-	-	(666)
Total fixed maturity securities	\$ 2,823,215	\$ (112,128)	\$ -	\$ -	\$ 2,823,215	\$ (112,128)
December 31, 2022 (Predecessor)	Less than 12 months		Greater than 12 months		Fair Value	Gross Unrealized Losses
<i>(in thousands)</i>	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses		
Fixed maturity securities						
U.S. Government and agencies	\$ 24,442	\$ (4,567)	\$ 275,734	\$ (97,097)	\$ 300,176	\$ (101,664)
U.S. municipal	337,784	(103,963)	416,668	(132,422)	754,452	(236,385)
Foreign government	1,709,704	(131,540)	1,325,524	(413,491)	3,035,228	(545,031)
Corporate	7,956,770	(1,863,974)	7,780,456	(2,713,481)	15,737,226	(4,577,455)
Asset backed securities	1,024,434	(57,515)	617,007	(61,289)	1,641,441	(118,804)
Residential mortgage-backed securities	599,703	(112,923)	931,548	(343,418)	1,531,251	(456,341)
Commercial mortgage-backed securities	801,477	(193,260)	1,354,000	(424,232)	2,155,477	(617,492)
Total fixed maturity securities	\$ 12,454,314	\$ (2,467,742)	\$ 12,700,937	\$ (4,185,430)	\$ 25,155,251	\$ (6,653,172)

The Company did not recognize an allowance for credit losses on securities in an unrealized loss position included in the tables above. Based on a qualitative and quantitative review of the issuers of the securities, the Company believes the decline in fair value is largely due to recent market volatility and is not indicative of credit losses. The issuers continue to make timely principal and interest payments. For all securities in an unrealized loss position, the Company expects to recover the amortized cost based on management's estimate of the amount and timing of cash flows to be collected. The Company does not intend to sell nor does it expect that it will be required to sell these securities prior to recovering its amortized cost.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Allowance for Credit Losses

In determining when a decline in fair value below amortized cost of a fixed maturity security represents a credit loss, we evaluate the following factors:

- Whether we expect to recover the entire amortized cost basis of the security
- Whether we intend to sell the security or will be required to sell the security before the recovery of its amortized cost basis
- Whether the security is current as to principal and interest payments
- The significance of the decline in value
- Current and future business prospects and trends of earnings
- The valuation of the security's underlying collateral
- Relevant industry conditions and trends relative to their historical cycles
- Market conditions
- Rating agency and governmental actions
- Bid and offering prices and the level of trading activity
- Adverse changes in estimated cash flows for securitized investments
- Changes in fair value subsequent to the balance sheet date
- Any other key measures for the related security

While determining whether a credit loss exists is a judgmental area, we utilize a formal, well-defined, and disciplined process to monitor and evaluate our fixed income investment portfolio, supported by issuer specific research and documentation as of the end of each period. The process results in a thorough evaluation of problem investments and the recording of credit losses on a timely basis for investments determined to have a credit loss. We calculate the allowance for credit losses of fixed maturity securities based on the present value of our best estimate of cash flows expected to be collected, discounted using the effective interest rate implicit in the security at the date of acquisition. When estimating future cash flows, we analyze the strength of the issuer's balance sheet, its debt obligations and near-term funding arrangements, cash flow and liquidity, the profitability of its core businesses, the availability of marketable assets which could be sold to increase liquidity, its industry fundamentals and regulatory environment, and its access to capital markets. As of December 31, 2023 (Successor), with respect to the fixed maturity securities for which an allowance for credit losses was recognized, we do not intend to sell these securities, and it is not more likely than not that we will be required to sell these securities before recovery of our estimated value.

Scheduled Maturities

The scheduled maturities for fixed maturity securities AFS as of December 31, 2023 (Successor) were as follows:

<i>(\$ in thousands)</i>	<u>Amortized Cost</u>	<u>Fair Value</u>
Fixed maturity securities - AFS		
Due within one year	\$ 1,108,529	\$ 1,109,269
Due after one year through five years	3,465,310	3,504,782
Due after five years through ten years	4,043,127	4,191,747
Due after ten years	11,000,431	12,071,679
Subtotal	<u>19,617,397</u>	<u>20,877,477</u>
Structured securities (ABS, RMBS, CMBS)	8,317,703	8,483,792
Total fixed maturities – AFS	<u>\$ 27,935,098</u>	<u>\$ 29,361,270</u>

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations. Asset-backed, commercial mortgage-backed and residential mortgage-backed securities are shown separately in the table above, as they do not have a single maturity date.

Mortgage Loans

Mortgage and other loan receivables consist of the following as of December 31, 2023 (Successor) and 2022 (Predecessor), respectively:

<i>(\$ in thousands)</i>	December 31, 2023 (Successor)	December 31, 2022 (Predecessor)
Commercial mortgage loans	\$ 2,443,604	\$ 2,728,522
Residential mortgage loans	1,036,846	-
Total mortgage and other loan receivables	\$ 3,480,450	\$ 2,728,522
Allowance for credit losses	(18,952)	-
Total mortgage and other loan receivables, net of allowance for credit losses	\$ 3,461,499	\$ 2,728,522

The following tables present commercial mortgage loans by year of origination and Loan-to-value (LTV) ratio as of the dates indicated. The information is updated as of December 31, 2023 (Successor) and 2022 (Predecessor), respectively.

As of December 31, 2023 (Successor)

Loan-to-Value Ratios

Year of origination	0-50%	51-60%	61-70%	71-80%	>80%	>100%	Total
2023	\$ 125,729	\$ 44,091	\$ 59,923	\$ 8,467	\$ 112,603	\$ -	\$ 350,813
2022	216,861	171,644	69,968	-	-	-	458,473
2021	48,616	56,890	74,378	-	-	-	179,884
2020	30,545	13,388	-	-	-	-	43,933
2019 and prior	1,256,927	146,668	6,906	-	-	-	1,410,501
Total	\$ 1,678,678	\$ 432,681	\$ 211,175	\$ 8,467	\$ 112,603	\$ -	\$ 2,443,604

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

December 31, 2022 (Predecessor)

Loan-to-Value Ratios

Year of origination	0-50%	51-60%	61-70%	71-80%	>80%	>100%	Total
2022	\$ 269,120	\$ 189,818	\$ 42,603	\$ -	\$ -	\$ -	\$ 501,541
2021	36,841	100,921	98,333	-	-	-	236,095
2020	26,285	28,592	5,999	-	-	-	60,876
2019	78,486	36,665	10,331	-	-	-	125,482
2018 and prior	1,592,836	200,587	11,105	-	-	-	1,804,528
Total	\$ 2,003,568	\$ 556,583	\$ 168,371	\$ -	\$ -	\$ -	\$ 2,728,522

The following tables present commercial mortgage loans by year of origination and Debt service coverage (DSC) ratio as of the dates indicated. The information is updated as of December 31, 2023 (Successor) and 2022 (Predecessor).

As of December 31, 2023 (Successor)

Debt Service Coverage Ratios

Year of origination	>1.5x	>1.25x - 1.5x	>1.0x - 1.25x	<1.0x	CMLs secured by land or construction loans	Total
2023	\$ 125,729	\$ 77,660	\$ 147,424	\$ -	\$ -	\$ 350,813
2022	154,543	30,203	117,123	156,604	-	458,473
2021	56,931	7,099	28,560	87,294	-	179,884
2020	23,094	2,942	-	17,897	-	43,933
2019 and prior	1,164,399	142,450	86,168	17,484	-	1,410,501
Total	\$ 1,524,696	\$ 260,354	\$ 379,275	\$ 279,279	\$ -	\$ 2,443,604

As of December 31, 2022 (Predecessor)

Debt Service Coverage Ratios

Year of origination	>1.5x	>1.25x - 1.5x	>1.0x - 1.25x	<1.0x	CMLs secured by land or construction loans	Total
2022	\$ 251,990	\$ 70,086	\$ 158,434	\$ 21,031	\$ -	\$ 501,541
2021	83,516	12,553	84,085	55,941	-	236,095
2020	33,953	476	3,000	23,447	-	60,876
2019	71,439	35,986	17,058	999	-	125,482
2018 and prior	1,377,738	267,828	88,183	70,779	-	1,804,528
Total	\$ 1,818,636	\$ 386,929	\$ 350,760	\$ 172,197	\$ -	\$ 2,728,522

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

The amortized cost of residential mortgage loans by credit quality indicator and vintage year was as follows as of December 31, 2023 (Successor) . There were no residential mortgage loans as of December 31, 2022 (Predecessor).

<i>(\$ in thousands)</i>	December 31, 2023	% of Total
	(Successor)	
Performing indicators:		
Performing	\$ 1,036,846	100 %
Non-performing	-	-
Total	\$ 1,036,846	100 %

The following tables present the mortgage loans by year of origination and geography as of the dates indicated. The information is updated as of December 31, 2023 (Successor) and 2022 (Predecessor), respectively.

As of December 31, 2023 (Successor)

Year of origination	U.S. Territory										Total
	Pacific	South Atlantic	Middle Atlantic	West South Central	Mountain	East North Central	New England	West North Central	East South Central	Australia	
2023	\$ 77,994	\$345,706	\$286,592	\$125,143	\$ 114,088	\$147,541	\$ 35,966	\$ 74,466	\$159,781	\$ 20,383	\$ 1,387,660
2022	112,368	133,471	28,078	99,119	49,389	15,567	-	15,867	4,615	-	458,474
2021	19,073	44,964	12,455	62,567	15,181	9,642	-	16,000	-	-	179,882
2020	7,789	12,693	14,660	581	-	4,510	-	1,115	2,585	-	43,933
2019 and prior	440,702	308,835	190,387	65,679	189,581	142,773	34,643	25,202	12,699	-	1,410,501
Total	\$657,926	\$845,669	\$532,172	\$353,089	\$ 368,239	\$320,033	\$ 70,609	\$132,650	\$179,680	\$ 20,383	\$ 3,480,450

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

As of December 31, 2022 (Predecessor)

Year of origination	U.S. Territory									Total
	Pacific	South Atlantic	Middle Atlantic	West South Central	Mountain	East North Central	New England	West North Central	East South Central	
2022	\$ 124,730	\$ 144,909	\$ 48,401	\$ 97,857	\$ 49,318	\$ 15,500	\$ -	\$ 15,010	\$ 5,815	\$ 501,540
2021	28,178	47,675	14,972	61,206	17,873	40,991	-	15,202	10,000	236,097
2020	12,484	26,428	7,022	3,836	-	7,033	-	1,441	2,633	60,877
2019	31,572	64,741	6,474	6,575	7,232	1,904	1,932	-	5,050	125,480
2018 and prior	556,371	375,300	231,025	105,986	233,914	212,183	41,464	37,080	11,205	1,804,528
Total	\$ 753,335	\$ 659,053	\$ 307,894	\$ 275,460	\$ 308,337	\$ 277,611	\$ 43,396	\$ 68,733	\$ 34,703	\$ 2,728,522

The following tables present the mortgage loans by year of origination and property type as of the dates indicated. The information is updated as of December 31, 2023 (Successor) and 2022 (Predecessor), respectively.

As of December 31, 2023 (Successor)

Year of origination	Retail	Industrial	Apartments	Office	Hotel/Motel	Other	Mixed use	Total
2023	\$ -	\$ 216,450	\$ 1,084,096	\$ -	\$ -	\$ 87,114	\$ -	\$ 1,387,660
2022	38,479	140,178	207,675	25,268	-	46,873	-	458,473
2021	21,937	37,220	91,113	29,613	-	-	-	179,883
2020	3,290	8,177	10,701	21,766	-	-	-	43,934
2019 and prior	414,158	229,693	542,135	171,248	41,090	4,787	7,389	1,410,500
Total	\$ 477,864	\$ 631,718	\$ 1,935,720	\$ 247,895	\$ 41,090	\$ 138,774	\$ 7,389	\$ 3,480,450

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

As of December 31, 2022 (Predecessor)

Year of origination	Retail	Industrial	Apartments	Office	Hotel/ Motel	Other	Mixed use	Total
2022	\$ 45,986	\$ 219,466	\$ 211,639	\$ 24,449	\$ -	\$ -	\$ -	\$ 501,540
2021	23,046	47,383	130,019	35,649	-	-	-	236,097
2020	3,935	12,030	17,627	27,284	-	-	-	60,876
2019	18,126	14,267	65,394	12,764	14,930	-	-	125,481
2018 and prior	546,210	293,720	658,641	235,310	53,281	7,758	9,608	1,804,528
Total	\$ 637,303	\$ 586,866	\$ 1,083,320	\$ 335,456	\$ 68,211	\$ 7,758	\$ 9,608	\$ 2,728,522

The following table summarizes the activity in the allowance for losses for mortgage loans as of December 31, 2023 (Successor):

	December 31, 2023 (Successor)		
	Commercial mortgage loans	Residential mortgage loans	Total
Allowance for credit losses, balance at October 2, 2023	\$ -	\$ -	\$ -
Credit losses on mortgage loans for which credit losses were not previously recorded	(5,323)	(13,786)	(19,109)
Write-offs	157	-	157
Allowance for credit losses, balance at December 31, 2023	\$ (5,166)	\$ (13,786)	\$ (18,952)

The following table presents past due mortgage loans as of December 31, 2023 (Successor):

	December 31, 2023 (Successor)		
	Commercial mortgage loans	Residential mortgage loans	Total
Delinquency			
Current	\$ 2,434,663	\$ 1,036,846	\$ 3,471,509
Greater than 90 days past due	8,941	-	8,941
Total	\$ 2,443,604	\$ 1,036,846	\$ 3,480,450

The Company invests in high quality, well performing portfolios of mortgage loans and private placements. Under certain circumstances, modifications are granted to these contracts. Each modification is evaluated as to whether a troubled debt restructuring has occurred. A modification is a troubled debt restructuring when the borrower is in financial difficulty and the creditor makes concessions. Generally, the types of concessions may include reducing the face amount or maturity amount of the debt as originally stated, reducing the contractual interest rate, extending the maturity date at an interest rate lower than current market interest rates and/or reducing accrued interest. The Company considers the amount, timing and extent of the concession granted in determining any impairment or changes in the specific valuation allowance recorded in connection with the troubled debt restructuring. A valuation allowance

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

may have been recorded prior to the quarter when the loan is modified in a troubled debt restructuring. Accordingly, the carrying value (net of the valuation allowance) before and after modification through a troubled debt restructuring may not change significantly, or may increase if the expected recovery is higher than the pre-modification recovery assessment. The Company's mortgage loans may occasionally be involved in a troubled debt restructuring.

Prior to the adoption of ASC 326 - Credit Losses, each modification was evaluated as to whether a trouble debt restructuring had occurred. As of December 31, 2023 (Successor), the Company had no commitments to fund to borrowers that have been involved in a troubled debt restructuring. As of December 31, 2023 (Successor), the Company had no payment defaults on mortgage loans and two new troubled debt restructurings loans with a carrying value of \$9.7m. As of December 31, 2022 (Predecessor), the Company held five private placement troubled debt restructuring loans with a carrying value of \$25.3 million.

Investment Funds

The investment fund portfolio consists of funds that employ various strategies and include investments in real estate, real assets, credit, equity and natural resources. Investment funds can meet the definition of VIEs, which are discussed further in Note 7 – Variable Interest Entities.

The following table presents the carrying value by ownership percentage of investment funds held at fair value as of December 31, 2023 (Successor) and 2022 (Predecessor):

	December 31, 2023 (Successor)		December 31, 2022 (Predecessor)	
	Carrying Value	Maximum Loss Exposure	Carrying Value	Maximum Loss Exposure
<i>(\$ in thousands)</i>				
Ownership Percentage				
50% - 99%	\$ 122,551	\$ 122,551	\$ -	\$ -
3% - 49%	2,191,960	2,191,960	1,964,681	1,964,681
Less than 3%	-	-	1,018,736	1,018,736
Fair value investment funds	<u>\$ 2,314,511</u>	<u>\$ 2,314,511</u>	<u>\$ 2,983,417</u>	<u>\$ 2,983,417</u>

The following table presents the carrying value by ownership percentage of equity method investment funds as of December 31, 2023 (Successor) and 2022 (Predecessor):

	December 31, 2023 (Successor)		December 31, 2022 (Predecessor)	
	Carrying Value	Maximum Loss Exposure	Carrying Value	Maximum Loss Exposure
<i>(\$ in thousands)</i>				
Ownership Percentage				
50% - 99%	\$ 2,374	\$ 2,374	\$ 3,794	\$ 3,794
3% - 49%	395,442	395,442	170,341	170,341
Less than 3%	688,433	688,433	702,559	702,559
Equity method investment funds	<u>\$ 1,086,249</u>	<u>\$ 1,086,249</u>	<u>\$ 876,694</u>	<u>\$ 876,694</u>

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Net Investment Income

Net investment income for the period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022 were as follows:

	Period Ended December 31, 2023 (Successor)	Period Ended October 1, 2023 (Predecessor)	Year Ended December 31, 2022 (Predecessor)
<i>(\$ in thousands)</i>			
Fixed maturity securities, available for sale	\$ 469,081	\$ 910,587	\$ 1,102,592
Fixed maturity securities, fair value option	4,775	16,477	37,770
Equity securities	48,371	108,341	130,776
Investment funds	26,194	538,024	440,621
Short-term investments	27,582	115,517	66,703
Commercial mortgage loans	38,224	77,184	87,893
Residential mortgage loans	13,393	11,064	-
Funds withheld assets	256,494	538,132	761,917
Policy Loans	37,676	74,037	81,440
Other invested assets	1,388	12,827	6,489
Investment expenses	(52,076)	(116,741)	(113,014)
Net investment income	\$ 871,102	\$ 2,285,449	\$ 2,603,186

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Investment Related Gains (Losses), Net

Investment related gains (losses) for the period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022 were as follows:

	Period Ended December 31, 2023 (Successor)	Period Ended October 1, 2023 (Predecessor)	Year Ended December 31, 2022 (Predecessor)
<i>(\$ in thousands)</i>			
Fixed maturity securities, available for sale	\$ 74,206	\$ (715,579)	\$ (1,294,822)
Fixed maturity securities, fair value option			
Net gains (losses) on sales and disposals	(1,006)	(13,242)	(28,244)
Change in estimated fair value	19,408	(11,283)	(67,559)
Equity securities			
Net gains (losses) on sales and disposals	30,413	(87,699)	32,671
Change in estimated fair value	363,803	85,218	(221,984)
Investment funds	81,716	(113,535)	(576,472)
Short-term investments	390	8,264	10,213
Commercial mortgage loans	(4,999)	(1,732)	-
Residential mortgage loans	(14,043)	(4,649)	-
Derivatives			
Derivatives - Investment related gains (losses)	408,743	(183,953)	(1,143,239)
Derivatives - Embedded derivative change	63,621	(87,276)	-
Funds withheld assets			
Realized gains (losses) on trading activity	13,791	(297,094)	(532,547)
Change in embedded derivative	1,044,751	(94,924)	(4,310,124)
Investment property	-	-	72,843
Other investment assets	-	(310)	8,530
Investment related gains (losses), net	\$ 2,080,794	\$ (1,517,794)	\$ (8,050,735)

Proceeds from sales of fixed maturities and gross realized investment gains and losses for the period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022 were as follows:

	Period Ended December 31, 2023 (Successor)	Period Ended October 1, 2023 (Predecessor)	Year Ended December 31, 2022 (Predecessor)
<i>(\$ in thousands)</i>			
Fixed maturity securities, available for sale			
Proceeds from sales	\$ 4,301,917	\$ 5,896,548	\$ 9,246,980
Gross investment gains from sales	96,344	16,461	12,815
Gross investment losses from sales	(21,569)	(719,895)	(1,275,202)

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

5. Derivative Instruments

The Company is exposed to various risks relating to its ongoing business operations, including interest rate, foreign currency exchange rate, credit and equity market. The Company uses a variety of derivative instruments to manage risks, primarily interest rate, foreign currency, equity and market volatility. See Note 2 - Significant Accounting Policies for a description of the Company's accounting policies for derivatives and Note 6 – Fair Value for information about the fair value hierarchy for derivatives.

Interest Rate Contracts

The Company uses forward starting interest rate swaps to reduce its future reinvestment risk. Under the terms of these swaps, the Company agrees to exchange the difference between a fixed and a floating interest rate calculated on a notional amount at a specified future date.

Interest rate swaps are used by the Company to reduce risks from changes in interest rates, manage interest rate exposures arising from mismatches between assets and liabilities and to hedge against changes in their values it owns or anticipates acquiring or selling.

Swaps may be attributed to specific assets or liabilities or to a portfolio of assets or liabilities. Under interest rate swaps, the Company agrees with counterparties to exchange, at specified intervals, the difference between fixed-rate and floating-rate interest amounts calculated by reference to an agreed upon notional principal amount.

Where appropriate the Company treats outstanding interest rate swaps as settled to market and therefore, has no open fair value at the balance sheet date. As at December 31, 2023 (Successor) and 2022 (Predecessor), swaps with a notional value of \$3,115 million and \$2,878 million, respectively, were treated as settled to market.

Foreign Exchange Contracts

Currency derivatives, including currency swaps and forwards, are used by the Company to reduce risks from changes in currency exchange rates with respect to investments denominated in foreign currencies that the Company either holds or intends to acquire or sell.

Under currency forwards, the Company agrees with counterparties to deliver a specified amount of an identified currency at a specified future date. Typically, the price is agreed upon at the time of the contract and payment for such a contract is made at the specified future date. The Company executes forward sales of the hedged currency in exchange for the relevant base currency, at a specified exchange rate. The maturities of these forwards correspond with the future maturities of non-based currency denominated investments.

Under currency swaps, the Company agrees with counterparties to exchange, at specified intervals, the difference between one currency and another at an exchange rate and calculated by reference to an agreed principal amount. Generally, the principal amount of each currency is exchanged at the beginning and termination of the currency swap by each party.

Swaptions are used by the Company to hedge interest rate risk associated with the Company's foreign currency hedging strategy. A swaption is an option to enter into a swap with a forward starting effective date. In certain instances, the Company locks in the economic impact of existing purchased swaptions by entering into offsetting written swaptions. The Company pays a premium for purchased swaptions and receives a premium for written swaptions.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Equity Contracts

Equity derivatives, including options and variance swaps, are used by the Company in its investment portfolio from time-to-time to either assume equity risk or hedge its equity exposure. The fair value of the Company's equity derivatives is determined using market-based prices from pricing vendors.

The Company uses options to hedge against changes in the value of the benefit contained in the indexed universal life products and indexed annuities. The Company pays an upfront premium to purchase these options. The Company utilizes these options in non-qualifying hedging relationships.

Under variance swaps, the contract provides exposure to the future volatility of an underlying asset, without taking directional exposure to that asset. The contracts are entered into at no cost and the payoff is the difference between the realized variance rate of an underlying index and the fixed variance rate determined as of inception of the contract.

Under call options, the contract gives the right, but not an obligation, to exercise the option to obtain shares at a fixed price before the expiry date of the option

Under equity index options, the contract gives the holder the right, but not the obligation to buy or sell the value of an underlying equity index at the stated exercise price before the expiry date of the option. The options are used to provide additional exposure to the index while also providing downside protection.

Other Derivative Contracts

Other derivatives, including inflation index swap and credit default swap, are used by the Company in its investment portfolio from time-to-time to hedge against inflation risk or to take advantage of current or expected future market conditions.

Under inflation index swaps, the Company agrees with counterparties to swap fixed rate payments on a notional principal amount for floating rate payments linked to an inflation index, such as the Consumer price index ("CPI"). The swap is used by the Company to transfer inflation risk.

The Company enters into purchased credit default swaps to hedge against credit-related changes in the value of its investments. The Company sells credit default swaps to assume additional credit risk by synthetically creating a credit investment by pairing the swaps with highly-rated securities.

The Company uses total rate return swaps to hedge the cash flow variability associated with its assets. Under total rate of return swaps, the Company pays total return on its underlying assets in exchange for payments based on a set rate, either fixed or variable.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

The table below provides a summary of the gross notional amount and fair value of derivative contracts, excluding embedded derivatives and associated reinsurance recoverables. The fair value amounts below represent the value of derivative contracts prior to taking into account the netting effects of master netting agreements and cash collateral.

(\$ in thousands)	December 31, 2023 (Successor)			December 31, 2022 (Predecessor)		
	Notional	Gross Fair Value		Notional	Gross Fair Value	
		Assets	Liabilities		Assets	Liabilities
Derivatives Designated as Hedging Instruments						
Interest rate swap agreements	\$ 500,000	\$ 35,128	\$ -	\$ 500,000	\$ 35,962	\$ -
Foreign currency swaps	-	-	-	33,973	5,068	-
Total derivatives designated as hedging instruments	\$ 500,000	\$ 35,128	\$ -	\$ 533,973	\$ 41,030	\$ -
Derivatives Not Designated as Hedging Instruments						
Foreign currency forwards	\$ 5,347,244	\$ 59,023	\$ (985)	\$ 2,387,284	\$ 54,860	\$ (1)
Foreign currency swaps	69,531	2,792	(387)	35,558	5,554	(1)
Foreign currency swaptions	638,252	-	-	-	-	-
Interest rate swaps	22,712,999	(18,514)	(192,472)	6,272,706	9,787	(417,733)
Interest rate forwards	1,511,736	85,289	(17,674)	3,888,757	5,054	(117,641)
Equity contracts	4,815,837	647,077	(85,612)	4,244,718	377,873	(17,394)
Guaranteed premium rate benefits	41,961,000	57,979	-	44,235,000	58,371	-
Other derivative contracts	474,490	23,204	(4,541)	663,583	16,549	(2,223)
Embedded derivatives						
Funds withheld assets	-	1,037,665	(9,160)	-	2,121,898	(5,873,287)
Equity indexed universal life	-	-	(349,985)	-	-	(171,707)
Equity indexed annuity contracts	-	-	(951,639)	-	-	(1,601,625)
GMWB/GMWBL	\$ -	\$ -	\$ (3,671)	-	-	(6,031)
Total derivatives not designated as hedging instruments	\$ 77,531,089	\$ 1,894,515	\$ (1,616,126)	\$61,727,606	\$ 2,649,946	\$ (8,207,643)
Total Derivatives	\$ 78,031,089	\$ 1,929,643	\$ (1,616,126)	\$62,261,579	\$ 2,690,976	\$ (8,207,643)

Derivative Instruments Designated as Hedging Instruments

Cash Flow Hedges – Foreign currency swaps are used to convert foreign currency denominated cash flows of an investment to US dollars to reduce cash flow fluctuations due to changes in currency exchange rates. Interest rate swaps are used to convert floating-rate interest payments to fixed-rate interest payments to reduce exposure to interest rate changes.

The following is a summary of the gains (losses) related to cash flow hedges:

(\$ in thousands)	Statement of Changes in Shareholder's Equity line	Period Ended December 31, 2023 (Successor)	Period Ended October 1, 2023 (Predecessor)	Year Ended December 31, 2022 (Predecessor)
Derivative Instruments	Accumulated other comprehensive income (loss)	\$ -	\$ -	\$ 32,366
Foreign currency forward	Accumulated other comprehensive income (loss)	-	(2,229)	3,893
Foreign currency swap	Accumulated other comprehensive income (loss)	(26,505)	61,634	35,962
Interest rate swaps				

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Derivative Instruments Not Designated as Hedging Instruments

The cumulative net gains (losses) in the Consolidated Statements of Operations for changes in the fair value of derivative instruments and the location of any gains or losses in the Consolidated Statements of Operations line for the period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022 were as follows:

<i>(\$ in thousands)</i>		Period Ended	Period Ended	Year Ended
Derivative Instruments	Statement of Operations line	December 31, 2023	October 1, 2023	December 31, 2022
		(Successor)	(Predecessor)	(Predecessor)
Foreign currency forwards	Investment related gains (losses), net	\$ 74,047	\$ 46,369	\$ (63,117)
Foreign currency swaps	Investment related gains (losses), net	(7,153)	2,319	4,561
Interest rate swaps	Investment related gains (losses), net	171,346	23,443	(562,779)
Interest rate forwards	Investment related gains (losses), net	92,989	78,578	(388,366)
Equity contracts	Investment related gains (losses), net	123,087	172,980	(154,682)
Other derivative contracts	Investment related gains (losses), net	18,048	3,782	21,144
Guaranteed premium rate benefits	Other operating expenses	-	(694)	13,124
		<u>\$ 472,364</u>	<u>\$ 326,777</u>	<u>\$ (1,130,115)</u>

As of December 31, 2023 (Successor), the Company was owed \$33.1 million in relation to margin calls in connection with the interest rate swaps. As of December 31, 2022 (Predecessor), the Company owed \$59.6 million, for cash it is required to post in relation to margin calls in connection with the interest rate swaps. These amounts are included within other liabilities or other assets on the Consolidated Balance Sheets.

Embedded Derivatives on Funds Withheld Assets

Embedded derivatives arising on modco and funds withheld contracts are bifurcated from the host contract and carried at fair value within funds withheld assets on the Consolidated Balance Sheets. Changes in fair value are recorded within Investment related gains (losses), net on the Consolidated Statements of Operations.

The estimated fair value and the location on the Consolidated Balance Sheets of the Company's embedded derivatives as of December 31, 2023 (Successor) and 2022 (Predecessor) were as follows:

<i>(\$ in thousands)</i>		December 31, 2023	December 31, 2022
Derivative Instruments	Balance Sheet Line	(Successor)	(Predecessor)
Derivatives embedded in			
Modco reinsurance contracts	Funds withheld asset	\$ 1,037,665	\$ 2,121,898
Modco reinsurance contracts	Funds withheld liability	-	(5,860,683)
Funds withheld assets	Other assets/ Other liabilities	(9,160)	(12,604)
Derivatives embedded in life and annuity contracts			
Fixed indexed annuity contracts	Policyholder account balances	(951,639)	(1,601,625)
Equity indexed universal life contracts	Policyholder account balances	(349,985)	(171,707)
GMWB/GMWBL	Future policy benefits and other policy liabilities	(3,671)	(6,031)
		<u>\$ (276,790)</u>	<u>\$ (5,530,752)</u>

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

The change in the value of the embedded derivatives recorded within Consolidated Statements of Operations for the period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022 were as follows:

		Period Ended	Period Ended	Year Ended
		December 31, 2023	October 1, 2023	December 31, 2022
		(Successor)	(Predecessor)	(Predecessor)
<i>(\$ in thousands)</i>	Derivative Instruments	Statement of Operations Line		
	Derivatives embedded in			
	Fixed indexed annuity contracts	Policyholder benefits	\$ -	\$ 1,998
	Fixed indexed annuity contracts	Interest sensitive contract benefits	67,263	(48,134)
	Equity indexed universal life contracts	Policyholder benefits	-	(7,519)
	Equity indexed universal life contracts	Investment related gains (losses), net	-	(67,170)
	Equity indexed universal GMWB/ GMWBL	Interest sensitive contract Policyholder benefits	(92,076)	-
			(818)	3,177
	Change in embedded derivatives on modco reinsurance contracts	Investment related gains (losses), net	1,037,665	(91,282)
	Change in embedded on funds withheld	Investment related gains (losses), net	7,086	(3,642)
			<u>\$ 1,019,120</u>	<u>\$ (212,572)</u>
				<u>\$ (4,350,073)</u>

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

6. Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy for inputs used in determining fair value maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Assets and liabilities recorded on the Consolidated Balance Sheets at fair value are categorized in the fair value hierarchy based on the observability of inputs to the valuation techniques as follows:

- Level 1 Assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Company can access.
- Level 2 Assets and liabilities whose values are based on the following:
- (a) Quoted prices for similar assets or liabilities in active markets;
 - (b) Quoted prices for identical or similar assets or liabilities in markets that are not active; or
 - (c) Valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Unobservable inputs reflect the Company's estimates of the assumptions that market participants would use in valuing the assets and liabilities.

Net Asset Value (NAV) – Investment funds are typically measured using NAV as a practical expedient in determining fair value and are not classified in the fair value hierarchy. Our carrying value reflects our pro rata ownership percentage as indicated by NAV in the investment fund financial statements, which we may adjust if we determine NAV is not calculated consistent with investment company fair value principles. The underlying investments of the investment funds may have significant unobservable inputs, which may include but are not limited to, comparable multiples and weighted average cost of capital rates applied in valuation models or a discounted cash flow model.

The availability of observable inputs varies by instrument. In situations where fair value is based on internally developed pricing models or inputs that are unobservable in the market, the determination of fair value requires more judgment. The degree of judgment exercised by the Company in determining fair value is typically greatest for instruments categorized in Level 3. In many instances, valuation inputs used to measure fair value fall into different levels of the fair value hierarchy. The category level in the fair value hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company uses prices and inputs that are current as of the measurement date, including during periods of market disruption. In periods of market disruption, the ability to observe prices and inputs may be reduced for many instruments.

The Company is responsible for the determination of fair value and the supporting assumptions and methodologies. The Company gains assurance that assets and liabilities are appropriately valued through the execution of various processes and controls designed to ensure the overall reasonableness and consistent application of valuation methodologies, including inputs and assumptions, and compliance with accounting standards. For fair values received from third parties or internally estimated, the Company's processes and controls are designed to ensure that the valuation methodologies are appropriate and consistently applied, the inputs and assumptions are reasonable and consistent with the objective of determining fair value, and the fair values are accurately recorded. For example, the Company assesses the reasonableness of individual fair values provided by investment managers which, when compared to fair values received from third party valuation service providers or derived from internal

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

models, exceed certain thresholds. The Company performs procedures to understand and assess the methodologies, processes and controls of valuation service providers.

The Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2023 (Successor) and 2022 (Predecessor) were as follows:

December 31, 2023 (Successor)

(\$ in thousands)

	Level 1	Level 2	Level 3	NAV	Total
Fixed maturity securities, available for sale					
U.S. government and agencies	\$ 178,685	\$ 674,201	\$ -	\$ -	\$ 852,886
U.S. municipal	-	1,048,009	-	-	1,048,009
Foreign government	-	3,354,807	-	-	3,354,807
Corporate	-	13,888,788	1,715,204	-	15,603,993
Asset backed securities	-	1,904,696	1,706,972	-	3,611,668
Residential mortgage-backed securities	-	1,788,070	1	-	1,788,071
Commercial mortgage-backed securities	-	3,079,407	-	-	3,079,407
Other mortgages	-	22,430	-	-	22,430
Total fixed maturity securities, available for sale	\$ 178,685	\$ 25,760,408	\$ 3,422,177	\$ -	\$ 29,361,271
Fixed maturity securities, fair value option	\$ -	\$ 131,680	\$ 155,939		\$ 287,619
Equity securities	7,150,557	116,249	614,777		7,881,583
Investment funds	-	2,314,511	-	\$ 1,067,075	3,381,586
Short-term investments	208,667	1,814,223	-		2,022,890
Derivative assets	51,222	456,167	326,609		833,998
Cash and cash equivalents	4,016,320	-	-		4,016,320
Embedded derivatives on funds withheld assets	-	(9,160)	1,037,665		1,028,505
Guaranteed premium rate benefits	-	-	57,979		57,979
Separate account assets	1,516,437	6,875	-		1,523,312
Total assets measured at fair value	\$ 13,121,888	\$ 30,590,953	\$ 5,615,146	\$ 1,067,075	\$ 50,395,063
Liabilities					
Policyholder liabilities, at estimated fair value	\$ -	\$ -	\$ -	\$ -	\$ -
Future policy benefits and other policyholder liabilities					
GMWB/GMWBL	-	-	3,671	-	3,671
Policyholder account balances					
Fixed indexed annuity contracts	-	-	951,639	-	951,639
Equity indexed universal life contracts	-	-	349,985	-	349,985
Derivative liabilities	12,527	289,144	-	-	301,671
Embedded derivatives on funds withheld liabilities	-	-	-	-	-
Total liabilities measured at fair value	\$ 12,527	\$ 289,144	\$ 1,305,295	\$ -	\$ 1,606,966

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

December 31, 2022 (Predecessor)

(\$ in thousands)

	Level 1	Level 2	Level 3	NAV	Total
Fixed maturity securities, available for sale					
U.S. government and agencies	\$ 155,642	\$ 144,534	\$ -	\$ -	\$ 300,176
U.S. municipal	-	754,458	-	-	754,458
Foreign government	-	3,196,080	-	-	3,196,080
Corporate	-	15,284,615	1,072,434	-	16,357,049
Asset backed securities	-	1,196,898	988,723	-	2,185,621
Residential mortgage-backed securities	-	1,606,171	-	-	1,606,171
Commercial mortgage-backed securities	-	2,182,815	-	-	2,182,815
Total fixed maturity securities, available for sale	\$ 155,642	\$ 24,365,571	\$ 2,061,157	\$ -	\$ 26,582,370
Fixed maturity securities, fair value option	\$ -	\$ 189,516	\$ 40,198	\$ -	\$ 229,714
Equity securities	2,220,088	123,117	566,656	-	2,909,861
Investment funds	-	2,983,418	-	876,693	3,860,111
Short-term investments	221,535	1,668,037	-	-	1,889,572
Derivative assets	5,288	332,600	172,820	-	510,708
Cash and cash equivalents	3,583,617	-	-	-	3,583,617
Embedded derivatives on funds withheld assets	-	(12,604)	(5,860,683)	-	(5,873,287)
Guaranteed premium rate benefits	-	-	58,371	-	58,371
Separate account assets	1,355,935	2,539,007	-	-	3,894,942
Total assets measured at fair value	\$ 7,542,105	\$ 32,188,662	\$ (2,961,481)	\$ 876,693	\$ 37,645,979
Liabilities					
Policyholder liabilities, at estimated fair value	\$ -	\$ -	\$ 4,883,724	\$ -	\$ 4,883,724
Future policy benefits and other policyholder liabilities					
GMWB/GMWBL	-	-	6,031	-	6,031
Policyholder account balances					
Fixed indexed annuity contracts	-	-	1,601,625	-	1,601,625
Equity indexed universal life contracts	-	-	171,707	-	171,707
Derivative liabilities	118,229	436,765	-	-	554,994
Other liabilities	-	-	(2,121,898)	-	(2,121,898)
Total liabilities measured at fair value	\$ 118,229	\$ 436,765	\$ 4,541,189	\$ -	\$ 5,096,183

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Fair Value Valuation Methods – we used the following valuation methods and assumptions to estimate fair value:

Publicly traded fixed maturity securities

The fair values of the Company's public fixed maturity securities are generally based on prices obtained from independent pricing services. Prices for each security are generally sourced from multiple pricing vendors, and a vendor hierarchy is maintained by asset type based on historical pricing experience and vendor expertise. The Company ultimately uses the price from the pricing service that is highest in the vendor hierarchy based on the respective asset type. The pricing hierarchy is updated for new financial products and recent pricing experience with various vendors. Typical inputs used by these pricing services include but are not limited to, reported trades, benchmark yields, issuer spreads, bids, offers, and/or estimated cash flow, prepayment speeds, and default rates. If the pricing information received from third party pricing services is deemed not reflective of market activity or other inputs observable in the market, the Company may challenge the price through a formal process with the pricing service.

Indicative broker quotes are also used to determine fair value in circumstances where vendor pricing is not available, or where the Company ultimately concludes that pricing information received from independent pricing services is not reflective of market activity. If the Company concludes the values from both pricing services and brokers are not reflective of market activity, it may override the information with an internally-developed valuation.

Non-publicly traded fixed maturity securities

Privately placed fixed maturity securities are priced based on the credit quality and duration of comparable marketable securities, which may be securities of another issuer with similar characteristics. The valuation models used by the investment managers to price these securities consider the current level of risk-free interest rates, corporate spreads, credit quality of the issuer and cash flow characteristics of the security, the net worth of the borrower and value of the collateral.

Derivative assets

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices (current bid price or current offer price). The fair value of financial instruments not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques. Valuation techniques include net present value techniques, option pricing models, discounted cash flow methods and comparison to quoted market prices or dealer quotes for similar instruments. The models use a number of inputs, including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying instruments. Some derivative contracts are significantly cash collateralized, thereby minimizing both counterparty risk and Groups own non-performance risk.

Equity securities

Fair values of publicly traded equity securities are based on quoted market prices. The Company values other equity securities, typically private equities or equity securities not traded on an exchange, based on other sources, such as commercial pricing services or brokers.

Short-term investments

The fair value of unlisted debt securities are priced using interest rate yields obtainable on comparable listed investments.

Funds withheld assets and liabilities (embedded derivative)

The Company estimates the fair value of the embedded derivative based on the fair value of the underlying assets supporting the funds withheld receivable under the modco agreements.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Cash and cash equivalents, including restricted cash

The carrying amount for cash and cash equivalents equals fair value, which has been determined based on quoted market prices.

Separate account assets and liabilities

The assets and liabilities held in separate accounts are reported at the fair values of the underlying investments in the separate accounts. The underlying investments include mutual funds, short-term investments, cash and fixed maturities.

Policyholder liabilities, at fair value

The fair value reserve estimate is based on a discounted liability cash flow methodology. The discount rates are determined using current market risk-free interest rates, including a spread to reflect the illiquidity of the liabilities ("illiquidity premium"). The Company has quantified this by assessing a replicating investment portfolio that the Company believes a reasonable third party would use in pricing the business. The discounted liability cash flow methodology also includes assumptions about future mortality rates of policyholders, updated on an ongoing basis to reflect recent credible experience. This balance is classified as Level 3 in the fair value hierarchy.

Guaranteed premium rate benefits

The Company estimates the fair value of the guaranteed premium rate benefits derivative using the income approach. The income approach is applied using the valuation technique of a discounted cash flow analysis. As such, the guaranteed premium rate benefits derivative is accounted for as a freestanding derivative instrument.

Future policy benefits and other policyholder liabilities and Policyholders' account balances - guaranteed benefit derivatives

The Company records reserves for annuity contracts containing GMWBL and GMWB riders. The guarantee is an embedded derivative and is required to be accounted for separately from the host variable annuity contract. The fair value of the obligation is calculated based on actuarial and capital market assumptions related to the projected cash flows, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are produced by using stochastic techniques under a variety of market return scenarios and other market implied assumptions.

The index-crediting feature in the Company's indexed annuity and life contracts is an embedded derivative that is required to be accounted for separately from the host contract. The fair value of the obligation is calculated based on actuarial and capital market assumptions related to the projected cash flows, including benefits and related contract charges, over the anticipated life of the related contracts for fixed indexed annuities and over the current indexed term for indexed life contracts. The cash flow estimates are produced by market implied assumptions.

The Company records reserves for certain contracts containing guaranteed credited rates. The guarantee is treated as an embedded derivative or a stand-alone derivative (depending on the underlying product) and is required to be reported at fair value. The estimated fair value is determined based on the present value of projected future claims, minus the present value of future guaranteed premiums. At inception of the contract, the Company projects a guaranteed premium to be equal to the present value of the projected future claims. The income associated with the contracts is projected using relevant actuarial and capital market assumptions, including benefits and related contract charges, over the anticipated life of the related contracts. The cash flow estimates are produced using stochastic techniques under a variety of risk neutral scenarios and other market implied assumptions.

The discount rate used to determine the fair value of the Company's GMWBL, GMWB, indexed annuity and life contracts, embedded derivative liabilities and the stand-alone derivative includes an adjustment to reflect the risk that these obligations will not be fulfilled ("nonperformance risk"). The nonperformance risk adjustment incorporates both Company-specific and external observable data.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Level 3 Fair Value Measurements

The change in fair value measurement of assets and liabilities categorized within Level 3 of the fair value hierarchy during the period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022 were as follows:

Period Ended December 31, 2023 (Successor)	Investment related gains/(losses) included in								Ending Balance
	Beginning Balance	Transfers to Level 3	Transfers out of	Purchases	Net income	OCI	Issues	Settlements	
<i>(\$ in thousands)</i>									
Assets									
Corporate fixed income maturities	\$ 1,275,210	\$ 350,552	\$ -	\$ 20,065	\$ 3,003	\$420,590	\$ -	\$ (354,216)	\$1,715,204
Asset backed securities	1,313,792	-	(4,485)	441,692	372	13,399	-	(57,798)	1,706,972
Residential mortgage backed securities	-	-	1	-	(1)	-	-	1	1
Commercial mortgage backed securities	3,627	-	(3,739)	-	864	118	-	(870)	-
Fixed maturities, fair value option	152,959	-	-	3,887	16,192	-	-	(17,099)	155,939
Equity securities	582,815	-	-	-	9,745	27,634	-	(5,417)	614,777
Embedded derivative on funds withheld	-	-	-	-	1,037,665	-	-	-	1,037,665
Derivative assets	237,757	-	-	18,183	83,935	-	-	(13,266)	326,609
Guaranteed premium rate benefits	57,677	-	-	-	302	-	-	-	57,979
Total Level 3 assets	\$ 3,623,837	\$ 350,552	\$ (8,223)	\$ 483,827	\$ 1,152,077	\$461,741	\$ -	\$ (448,665)	\$5,615,146
Liabilities									
Fixed indexed annuity contracts	\$ 783,800	\$ -	\$ -	\$ -	\$ 168,079	\$ -	\$ 80	\$ (320)	\$ 951,639
Equity indexed life contracts	257,910	-	-	-	93,141	-	24,653	(25,719)	349,985
GMWB/GMWBL	2,853	-	-	-	(398)	-	1,216	-	3,671
Derivative liabilities	-	-	-	-	-	-	-	-	-
Embedded derivative on funds withheld	-	-	-	-	-	-	-	-	-
Policyholder liabilities, at estimated fair	-	-	-	-	-	-	-	-	-
Total Level 3 liabilities	\$ 1,044,563	\$ -	\$ -	\$ -	\$ 260,822	\$ -	\$ 25,949	\$ (26,039)	\$1,305,295
Period Ended October 1, 2023 (Predecessor)									
<i>(\$ in thousands)</i>									
Assets									
Fixed income securities, available for	\$ 1,072,434	\$ 38,911	\$ (97,808)	\$ 400,753	\$ 3,889	\$ (58,204)	\$ -	\$ (84,765)	\$ 1,275,210
Asset backed securities	988,723	387,097	(73,612)	653,476	44	(8,270)	-	(144,774)	1,802,684
Commercial mortgage backed securities	-	4,101	-	-	(5)	(470)	-	-	3,626
Fixed maturities, fair value option	40,198	-	-	7,823	(4,902)	-	-	(6,113)	37,006
Equity securities	566,656	543,349	-	-	39,847	(43,581)	-	-	1,106,271
Embedded derivative on funds withheld	(5,860,683)	-	-	-	(91,282)	-	-	2,121,898	(3,830,067)
Derivative assets	172,820	-	-	53,286	58,366	-	-	(46,715)	237,757
Guaranteed premium rate benefits	58,371	-	-	-	(694)	-	-	-	57,677
Total Level 3 assets	\$ (2,961,481)	\$ 973,458	\$ (171,420)	\$ 1,115,338	\$ 5,263	\$ (110,525)	\$ -	\$ 1,839,531	\$ 690,164
Liabilities									
Fixed indexed annuity contracts	\$ 1,601,625	\$ -	\$ -	\$ -	\$ (787,714)	\$ -	\$ (636)	\$ (2,040)	\$ 811,235
Equity indexed life contracts	171,707	-	-	-	67,170	-	67,933	(60,414)	246,396
GMWB/GMWBL	6,031	-	-	-	(4,094)	-	917	-	2,854
Derivative liabilities	-	-	-	-	-	-	-	-	-
Embedded derivative on funds withheld liabilities	(2,121,898)	-	-	-	-	-	-	2,121,898	-
Policyholder liabilities, at estimated fair	4,883,724	-	-	-	-	-	-	-	4,883,724
Total Level 3 liabilities	\$ 4,541,189	\$ -	\$ -	\$ -	\$ (724,638)	\$ -	\$68,214	\$ 2,059,444	\$ 5,944,209

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Year Ended December 31, 2022 (Predecessor)	Investment related gains/(losses) included in						Issues	Settlements	Ending Balance
	Beginning Balance	Transfers to Level 3	Transfers out of Level 3	Purchases	Net income	OCI			
<i>(\$ in thousands)</i>									
Assets									
Fixed income securities, available for sale	\$ 1,052,905	\$ 55,800	\$ (68,057)	\$ 430,248	\$ (7,865)	\$(303,074)	\$ –	\$ (87,523)	\$ 1,072,434
Asset backed securities	117,896	–	(123)	897,338	(400)	(10,357)	–	(15,631)	988,723
Fixed maturities, fair value	20	–	–	47,153	(3,578)	–	–	(3,397)	40,198
Equity securities	558,405	–	–	11,154	34,096	(36,897)	–	(102)	566,656
Investment property	98,280	–	–	–	72,843	(4,270)	–	(166,853)	–
Short-term investments	–	–	–	–	–	–	–	–	–
Embedded derivative on funds withheld assets	550,205	–	–	–	(6,410,888)	–	–	–	(5,860,683)
Derivative assets	437,333	–	–	82,863	–	–	–	(347,376)	172,820
Guaranteed premium rate	–	58,371	–	–	–	–	–	–	58,371
Total Level 3 assets	<u>\$ 2,815,044</u>	<u>\$ 114,171</u>	<u>\$ (68,180)</u>	<u>\$ 1,468,756</u>	<u>\$(6,315,792)</u>	<u>\$(354,598)</u>	<u>\$ –</u>	<u>\$ (620,882)</u>	<u>\$ (2,961,481)</u>
Liabilities									
Fixed indexed annuity contracts	2,791,507	\$ –	\$ –	\$ –	(1,189,156)	\$ –	533	(1,259)	\$ 1,601,625
Equity indexed life contracts	446,293	446,293	(446,293)	–	(245,895)	–	93,015	(121,706)	171,707
GMWB/GMWBL	10,802	–	–	–	(6,059)	–	11,694	(10,406)	6,031
Derivative liabilities	–	–	–	–	–	–	–	–	–
Embedded derivative on funds withheld liabilities	–	–	–	–	(2,121,898)	–	–	–	(2,121,898)
Policyholder liabilities, at estimated fair value	6,511,136	–	–	–	(1,143,554)	–	–	(483,858)	4,883,724
Total Level 3 liabilities	<u>\$ 9,759,738</u>	<u>\$ 446,293</u>	<u>\$ (446,293)</u>	<u>\$ –</u>	<u>\$(4,706,562)</u>	<u>\$ –</u>	<u>\$ 105,242</u>	<u>\$ (617,229)</u>	<u>\$ 4,541,189</u>

Transfers between levels

Overall, transfers into and out of Level 3 are attributable to a change in the observability of inputs. Assets and liabilities are transferred into Level 3 when a significant input cannot be corroborated with market observable data. This occurs when market activity decreases significantly and underlying inputs cannot be observed, current prices are not available, and when there are significant variances in quoted prices, thereby affecting transparency. Assets and liabilities are transferred out of Level 3 when circumstances change such that a significant input can be corroborated with market observable data. This may be due to a significant increase in market activity, a specific event, or one or more significant inputs becoming observable.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Significant Unobservable Inputs

Significant unobservable inputs occur when the Company could not obtain or corroborate the quantitative detail of the inputs. This applies to certain fixed maturity securities, equity securities, investment funds, investment property and funds withheld assets. Additional significant unobservable inputs are described below.

(\$ in thousands)

	Fair Value	Valuation Technique	Unobservable Input
Derivatives embedded in life and annuity			
Equity Indexed universal life	\$ (349,985)	Option Pricing Technique	Lapses
Guaranteed minimum withdrawal benefits & withdrawal benefits	\$ (3,671)	Option Pricing Technique	Long-term implied equity volatility; Long-term implied interest rate volatility; Non-performance risk; Withdrawal Utilization Delay; Benefit Utilization Lapses
Fixed Indexed Annuities	\$ (951,639)	Option Budget Method	Non-performance risk; Partial Withdrawals

The table above also excludes underlying quantitative inputs related to liabilities held for the Company's guaranteed withdrawal benefits. The development of these liabilities generally involve actuarially-determined models and could result in the Company reporting significantly higher or lower fair value measurements for these Level 3 investments.

AFS securities: For certain fixed maturity securities, internal models are used to calculate the fair value. The Company uses a discounted cash flow approach. The discount rate is the significant unobservable input due to the determined credit spread being internally developed, illiquid, or as a result of other adjustments made to the base rate. The base rate represents a market comparable rate for securities with similar characteristics. This excludes assets for which significant unobservable inputs are not developed internally, primarily consisting of broker quotes.

Policyholder liabilities at fair value: Significant unobservable inputs included within the calculation of policyholder liabilities include:

- 1) Illiquidity premium - quantified by assessing a replicating investment portfolio that we believe a reasonable third party would use in pricing the business
- 2) Mortality assumptions – we regularly review the assumptions for future mortality rates of policyholders in line with credible experience, industry data, and/or other factors, in the pricing of the reinsurance transaction

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

7. VIEs

The Company has invested in legal entities that are VIEs. The VIEs were formed to make investments, including co-investments alongside other investors, in private equity, infrastructure, real estate and credit assets. In certain instances, the Company holds both the power to direct the most significant activities of the entity, as well as an economic interest in the entity and, as such, is deemed to be the primary beneficiary or consolidator of the entity. The determination of the VIE's primary beneficiary requires an evaluation of the contractual and implied rights and obligations associated with each party's relationship with or involvement in the entity, an estimate of the entity's expected losses and expected residual returns and the allocation of such estimates to each party involved in the entity. For VIEs where the Company is the primary beneficiary but does not have 100% ownership, the proportionate share of equity and net income are attributable to noncontrolling interest.

Consolidated VIEs

Creditors or beneficial interest holders of VIEs where the Company is the primary beneficiary have no recourse to the general credit of the Company, as the Company's obligation to the VIEs is limited to the amount of its committed investment.

The following table presents the total assets and total liabilities relating to investment related VIEs for which the Company has concluded that it is the primary beneficiary and which are consolidated at:

<i>(\$ in thousands)</i>	December 31, 2023 (Successor)		
	Carrying Value	Total Assets	Total Liabilities
Investment funds	\$ 729,426	\$ 730,879	\$ (1,453)
Fixed maturity securities, FVO	137,239	137,239	
Total Consolidated VIEs	\$ 866,665	\$ 868,118	\$ (1,453)

<i>(\$ in thousands)</i>	December 31, 2022 (Predecessor)		
	Carrying Value	Total Assets	Total Liabilities
Investment funds	\$ 1,639,963	\$ 1,643,638	\$ (3,676)
Fixed maturity securities, FVO	-	-	-
Total Consolidated VIEs	\$ 1,639,963	\$ 1,643,638	\$ (3,676)

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Non-consolidated VIEs

The carrying amount and maximum exposure to loss relating to VIEs in which the Company holds a significant variable interest but is not the primary beneficiary and which have not been consolidated were as follows at:

		December 31, 2023 (Successor)	
<i>(\$ in thousands)</i>	Balance Sheet Line	Carrying Value	Maximum Loss Exposure
Other investments	Investment funds	\$ 1,159,964	\$ 1,159,964
Residual debt tranches	Fixed maturity securities, FVO	19,174	19,174
Total non-consolidated VIEs		\$ 1,179,138	\$ 1,179,138

		December 31, 2022 (Predecessor)	
<i>(\$ in thousands)</i>	Balance Sheet Line	Carrying Value	Maximum Loss Exposure
Other investments	Investment funds	\$ 1,034,230	\$ 1,034,230
Residual debt tranches	Fixed maturity securities, FVO	-	-
Total non-consolidated VIEs		\$ 1,034,230	\$ 1,034,230

The Company also has unconsolidated VIEs disclosed separately within the fixed maturity securities – AFS line item comprised of structured securities (asset backed/RMBS/CMBS). The maximum exposure to loss relating to fixed maturity securities AFS is equal to the carrying amounts of these securities. There are no arrangements which would require the Company to provide financial support to the VIEs in excess of the committed capital investment. The Company has not provided financial or other support during the year to the VIEs that it was not previously contractually required to provide.

8. Income Taxes

The Company has subsidiaries with operations in the United Kingdom, Australia, New Zealand, Canada and the United States, and therefore the Company is subject to income tax filing requirements in these jurisdictions.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Current income tax recoverable and deferred tax assets are included in other assets on the consolidated balance sheets, and current income tax payable and deferred tax liabilities are included in other liabilities on the consolidated balance sheets.

Current income tax assets and liabilities as of December 31, 2023 (Successor) and 2022 (Predecessor) were as follows:

<i>(\$ in thousands)</i>	December 31, 2023	December 31, 2022
Current income tax recoverable	\$ 138,153	\$ 175,383
Current income tax payable	6,635	3,074
Net current income tax recoverable (payable)	<u>\$ 131,518</u>	<u>\$ 172,309</u>

Deferred income taxes are calculated to account for the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax assets and liabilities as of December 31, 2023 (Successor) and 2022 (Predecessor) were as follows:

<i>(\$ in thousands)</i>	December 31, 2023	December 31, 2022
Deferred tax assets		
Policyholder reserves	\$ 108,061	\$ 400,878
Deferred acquisition costs	-	466,938
Net operating loss carryforward	533,454	349,966
Net unrealized investment losses	1,086,308	842,945
Transitional adjustments	536,791	-
Other	97,876	153,083
Gross deferred tax assets	<u>\$ 2,362,490</u>	<u>\$ 2,213,810</u>
Valuation allowance adjustment	(509,782)	(976,240)
Total Deferred tax assets	<u>\$ 1,852,708</u>	<u>\$ 1,237,570</u>
Deferred tax liabilities		
Net unrealized investment gains	\$ (212,468)	\$ (89,824)
VOBA and DAC	(1,538,325)	(257,938)
Policyholder reserves	(637,473)	(41,486)
Premium and claims accruals	(87,656)	(112,888)
Other	(15,084)	(1,436)
Total Deferred tax liabilities	<u>\$ (2,491,006)</u>	<u>\$ (503,572)</u>
Net deferred tax assets (liabilities)	<u>\$ (638,298)</u>	<u>\$ 733,998</u>

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

The Company does not believe it has any uncertain tax positions that would be material to its financial condition, results of income, or cash flows. Therefore, the Company did not record a liability for unrecognized tax contingencies/benefits as of December 31, 2023 (Successor) and 2022 (Predecessor). As of December 31, 2023 (Successor), there were no uncertain tax positions for which management believes it is reasonably possible that the total amounts of tax contingencies will significantly increase within 12 months of the reporting date. No amounts have been accrued for interest or penalties.

The Company evaluates the recoverability of deferred tax assets and establishes a valuation allowance if necessary to reduce the deferred tax asset to an amount that is more likely than not expected to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. As of December 31, 2023 (Successor) and 2022 (Predecessor), the Company had total valuation allowances of \$509.8 million and \$976.2 million, respectively. As of December 31, 2023 and 2022, \$134.2 million and \$100.2 million, respectively, of this valuation allowance was allocated to continuing operations and \$375.6 million and \$876.1 million, respectively, was allocated to Other comprehensive income (loss) related to realized and unrealized capital losses.

Under Bermuda law as applied in 2023, “RLGH Ltd.” and any other Bermuda domiciled subsidiaries, are not required to pay any taxes in Bermuda on income or capital gains. On December 27, 2023, the Government of Bermuda enacted the Corporate Income Tax Act 2023, which will apply a 15% corporate income tax to certain Bermuda businesses in fiscal years beginning on or after January 1, 2025. Following this change, RLGH Ltd. are expected to be subject to the Bermuda corporate income tax regime. The Bermuda corporate income tax regime permits certain tax reliefs which give rise to deductible temporary differences. As of December 31, 2023, the deferred tax asset in relation to these deductible temporary differences was \$537 million. The regime also gives rise to taxable temporary differences for the Company, resulting from the purchase accounting applied on the Blackstone transaction. As of December 31, 2023, the deferred tax liability arising from these taxable temporary differences was \$509 million.

We anticipate that from 2025 the Bermudian entities will be liable for local Bermudian corporate income tax at 15%. While the OECD Pillar Two rules should not apply to the Bermudian entities in 2024, they are expected to apply from January 1, 2025. Top-up taxes are not expected to be material given the introduction of the Bermuda corporate income tax.

The US book minimum tax (“CAMT”) was enacted on August 16, 2022 as part of the Inflation Reduction Act 2022 and applies to tax years commencing after December 31, 2022. The CAMT would apply only if the net income in the consolidated accounts of the Company reaches \$1 billion per annum averaged over the previous three years. It is not currently expected that the threshold will be met for 2023, but it is also noted that the legislation is being supplemented by regulations and guidance, and uncertainty remains as to how the threshold is calculated. The expectation will continue to be refined.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

A reconciliation of the income tax expense (benefit) is as follows:

	Period Ended	Period Ended	Year Ended
	December 31,	October 1,	December 31,
	2023	2023	2022
	(Successor)	(Predecessor)	(Predecessor)
<i>(\$ in thousands)</i>			
Profit (loss) before tax	890,572	(277,741)	(4,192,460)
Tax attributable to policyholders' returns	(156,766)	12,281	282,278
Profit (loss) before tax attributable to stockholders' profits	<u>733,806</u>	<u>(265,460)</u>	<u>(3,910,182)</u>
<i>Reconciling items</i>			
Difference in foreign tax rates	4.5 %	(0.2)%	4.1 %
Expenses not deductible for tax purposes	(0.5)%	1.4 %	(0.5)%
Capital loss write-off	10.4 %	- %	- %
Other non-assessable income	1.9 %	(1.3)%	0.3 %
NOHC tax consolidation election	- %	- %	0.6 %
Concessional tax treatment of investment income	(0.5)%	3.4 %	0.9 %
Tax attributable to policyholders returns	17.6 %	(4.5)%	6.7 %
Tax law changes	(3.1)%	- %	- %
Tax valuation allowance	(9.9)%	81.0 %	(2.4)%
Dividends received deduction	- %	- %	- %
Other tax reconciliations	6.6 %	1.2 %	0.4 %
Effective tax rate	<u>27.0 %</u>	<u>81.0 %</u>	<u>10.1 %</u>
Shareholder's effective tax rate	<u>9.4 %</u>	<u>85.5 %</u>	<u>3.4 %</u>

The Company's net operating loss carryforwards of \$533.5 million primarily relate to US ordinary tax losses, which have no expiry and can be carried forward indefinitely to offset against ordinary income.

Various jurisdictions in which the Resolution Life group operates have enacted or are introducing legislation to apply a global minimum tax rate of 15% to multinational businesses, in line with the Model Rules agreed by the Organisation for Economic Co-operation and Development (OECD). The UK's Finance (No. 2) Act 2023 was enacted on 11 July 2023. This legislation applies a 15% minimum tax to RLUS and the Resolution Life group's UK and Canadian operations from 1 January 2024, in accordance with the OECD's Pillar 2 tax proposals. The company's current view is that no Pillar Two top-up taxes are expected to arise in relation to RLUS.

Australia is currently introducing a Qualifying Domestic Minimum Top-up Tax, which will apply to RLA from January 1, 2024. Draft Australian legislation was issued on March 21, 2024 while legislation has also been enacted in New Zealand with effect from January 1, 2025, and work is ongoing to assess the impact of the new legislation on the Company.

The 2019 tax year is the earliest year subject to examination by the major tax jurisdictions under the statute of limitations (with limited exceptions).

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

9. Certain Nontraditional Long-Duration Contracts

The Company's contracts with guarantees may offer more than one type of guarantee in each contract; therefore, the amounts listed may not be mutually exclusive. The liabilities related to the net amount at risk are reflected within Future policy benefits and other policyholder liabilities or Policyholders' account balances.

As of December 31, 2023 (Successor) and 2022 (Predecessor), the Company had the following guarantees associated with these contracts, by product and guarantee type:

	December 31, 2023 (Successor)		
<i>(in thousands)</i>	In the Event of Death	At Annuitization/Accumulation	For Cumulative Periodic Withdrawals
Variable Annuity Contracts			
Separate account value	\$ 1,104,443	\$ 103,489	\$ 147,962
Net amount at risk	\$ 34,590	\$ 2,628	\$ 3,722
Average attained age of contract holders	72 years	68 years	77 years
Weighted average waiting period until guarantee date	N/A		
	December 31, 2022 (Predecessor)		
<i>(in thousands)</i>	In the Event of Death	At Annuitization/Accumulation	For Cumulative Periodic Withdrawals
Variable Annuity Contracts			
Separate account value	\$ 1,028,268	\$ 102,613	\$ 143,474
Net amount at risk	\$ 71,810	\$ 7,734	\$ 4,116
Average attained age of contract holders	72 years	67 years	76 years
Weighted average waiting period until guarantee date	N/A		

Liabilities for Guarantee Benefits

The liabilities for guaranteed minimum death benefits ("GMDB"), guaranteed minimum income benefits ("GMIB"), and secondary guarantees on interest-sensitive life and fixed annuities are included in Future policy benefits and other policyholder liabilities on the Consolidated Balance Sheets and the related changes in the liabilities are included in Policyholder benefits in the Consolidated Statements of Operations for the year ended December 31, 2023 (Successor). Guaranteed minimum withdrawal benefits ("GMWB") and guaranteed minimum withdrawal benefits with life payouts ("GMWBL"), are accounted for as bifurcated embedded derivatives and are recorded at fair value within Policyholders' account balances on the Consolidated Balance Sheets.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

The changes in separate and general account liabilities for guarantees were as follows:

	Separate account liabilities				General account liabilities		Total
	GMDB	GMIB	GMWB	GMWBL	GLWB	Secondary Guarantees	
	Variable Annuity	Variable Annuity	Variable Annuity	Variable Annuity	Fixed Annuity	Interest-Sensitive Life	
<i>(in thousands)</i>							
Balance as of January 1, 2022 (Predecessor)	\$ 22,845	\$ 6,036	\$ 397	\$ 10,406	\$ 1,721,218	\$ 3,920,432	\$ 5,681,334
Less: reinsurance recoverable					\$ (764,986)	\$ (3,266,278)	
Net balance as of January 1, 2022	22,845	6,036	397	10,406	956,232	654,154	1,650,070
Liabilities acquired	-	-	-	-	-	-	-
Incurred guarantee benefits	5,873	1,879	(312)	(3,949)	14,364	254,482	272,337
Paid guarantee benefits	(3,809)	(1,209)	(19)	(493)	-	(269,176)	(274,706)
Net change	2,064	670	(331)	(4,442)	14,364	(14,694)	(2,369)
Net balance as of December 31, 2022	24,909	6,706	66	5,964	970,596	639,460	1,647,701
Plus reinsurance recoverable	-	-	-	-	776,477	3,195,226	3,971,703
Balance as of December 31, 2022 (Predecessor)	\$ 24,909	\$ 6,706	\$ 66	\$ 5,964	\$ 1,747,073	\$ 3,834,686	\$ 5,619,404
Less: reinsurance recoverable	-	-	-	-	-	(3,195,226)	(3,195,226)
Net balance as of January 1, 2023	24,909	6,706	66	5,964	1,747,073	639,460	2,424,178
Termination of ModCo retrocession					(776,477)		
Incurred guarantee benefits	(799)	(2,255)	(72)	(2,774)	(10,922)	221,940	205,118
Paid guarantee benefits	(2,136)	(202)	(4)	(327)	-	(195,549)	(198,218)
Net change	(2,935)	(2,457)	(76)	(3,101)	(787,399)	26,391	(769,577)
Net balance as of October 1, 2023, (Predecessor)	21,974	4,249	(10)	2,863	959,674	665,851	1,654,601
Plus reinsurance recoverable	-	-	-	-	-	3,142,617	3,142,617
Balance as of October 1, 2023, (Predecessor)	\$ 21,974	\$ 4,249	\$ (10)	\$ 2,863	\$ 959,674	\$ 3,808,468	\$ 4,797,218
Balance as of October 2, 2023 (Successor)	\$ 113	\$ 10,273	\$ (10)	\$ 2,863	\$ -	\$ 2,495,325	\$ 2,508,564
Less: reinsurance recoverable							-
Net balance as of October 2, 2023	113	10,273	(10)	2,863	-	2,495,325	2,508,564
Liabilities acquired	-	-	-	-	-	-	-
Incurred guarantee benefits	1,303	2,045	29	1,119	412,466	79,270	496,232
Paid guarantee benefits	(1,331)	(61)	1	(332)	-	(58,219)	(59,942)
Net change	(28)	1,984	30	787	412,466	21,051	436,290
Net balance as of December 31, 2023 (Successor)	85	12,257	20	3,650	412,466	2,516,376	2,944,854
Plus reinsurance recoverable						27,671	27,671
Balance as of December 31, 2023 (Successor)	\$ 85	\$ 12,257	\$ 20	\$ 3,650	\$ 412,466	\$ 2,544,047	\$ 2,972,525

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

10. Reinsurance

The Company has agreements that provide for reinsurance of certain policy-related risks. Under the agreements, premiums, contract charges, interest credited to policyholder funds, policy benefits and substantially all expenses are reinsured. The Company purchases reinsurance to limit aggregate and single losses on large risks.

The Company also assumes risk through reinsurance treaties with third parties on a modified coinsurance and funds withheld basis. The assets held by the cedents supporting these contracts are held in trust and do not form part of their general accounts.

Collectability of reinsurance balances are evaluated by monitoring ratings and evaluating the financial strength of its reinsurers. Large counterparty exposure risk is mitigated by requiring collateral in various forms including funds withheld accounts. As of December 31, 2023 (Successor) and 2022 (Predecessor), approximately 98% respectively, of the Company's reinsurance recoverables are due from counterparties rated A- or better by Standard and Poor's ("S&P"). As of December 31, 2023 (Successor) and December 31, 2022 (Predecessor), the allowance for credit losses was \$0.

The effects of reinsurance on premiums earned and fee income from policyholders for period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022 were as follows:

	Period Ended	Period Ended	Year Ended
	December 31,	October 1, 2023	December 31,
	2023	(Predecessor)	2022
	(Successor)	(Predecessor)	(Predecessor)
<i>(\$ in thousands)</i>			
Premiums and fee income			
Direct	\$ 438,416	\$ 1,355,544	\$ 1,956,353
Reinsurance assumed	3,489,883	2,777,694	2,819,466
Reinsurance ceded	(423,868)	(1,276,632)	(1,132,123)
Total premiums and fee income, net of reinsurance	\$ 3,504,431	\$ 2,856,606	\$ 3,643,696

The effects of reinsurance on changes in policyholder liabilities, return credited to policyholders' account balances and policyholder benefits for the period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022 were as follows:

	Period Ended	Period Ended	Year Ended
	December 31,	October 1, 2023	December 31,
	2023	(Predecessor)	2022
	(Successor)	(Predecessor)	(Predecessor)
<i>(\$ in thousands)</i>			
Future policy and other policy benefits			
Direct	\$ 1,265,606	\$ 1,902,996	\$ (2,269,070)
Reinsurance assumed	3,992,640	53,539	(2,843,700)
Reinsurance ceded	(332,361)	764,953	2,652,628
Total future policy and other policy benefits, net of reinsurance	\$ 4,925,885	\$ 2,721,488	\$ (2,460,142)

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

Reinsurance typically provides for recapture rights on the part of the ceding company for certain events of default. Additionally, some agreements require us to place assets in trust accounts for the benefit of the ceding entity.

The Company is party to coinsurance with funds withheld treaties with external reinsurers under which risk on certain universal life and fixed annuity products is transferred. No portion of the assets constituting the consideration has been transferred to the reinsurer. The agreements were structured to finance reserves on certain universal life and fixed annuity products, in exchange for a fee based on those reserves. The profit to the reinsurers expected on the treaties is returned through an experience refund. The Company has determined that these agreements do not fulfill the requirements of risk transfer under generally accepted accounting principles and are accounted for on a deposit method of accounting. As of December 31, 2023 (Successor) and December 31, 2022 (Predecessor) the Company had modified coinsurance payables, net of \$4.1 billion and \$2.6 billion, respectively, related to these respective treaties.

To the extent that the retrocessionaires are unable to meet their obligations, the Company remains liable to its reinsured for the portion reinsured. Consequently, provisions are made for receivables on reinsurance contracts which are deemed uncollectible. To minimize its exposure to significant losses from reinsurer insolvencies, the Company periodically reviews actual and anticipated experience compared to the aforementioned assumptions used to establish assets and liabilities relating to ceded and assumed reinsurance and evaluates the financial strength of counterparties to its reinsurance agreements using criteria similar to that evaluated in the security impairment process.

11. Policyholder Liabilities, at Estimated Fair Value

Policyholder liabilities at fair value include reserves for death benefits, other policy benefits, and policyholder account balances where the fair value election has been taken.

As of December 31, 2023 (Successor) and 2022 (Predecessor), policyholder liabilities at estimated fair value consisted of the following:

<i>(\$ in thousands)</i>	December 31, 2023	December 31, 2022
Deferred annuities	\$ -	\$ 86,995
Single premium immediate annuities	-	434,003
Structured settlements	-	4,362,726
Total	\$ -	\$ 4,883,724

For certain contracts, the Company has historically made the election to hold the associated policyholder liabilities on the Consolidated Balance Sheets at fair value. Effective the Blackstone transaction date, as described in Note 2, we have elected to value these liabilities in a manner consistent with the other future policy benefits and other policyholder liabilities.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

12. VOBA and DAC

The following reflects the changes to the VOBA and DAC assets during the period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022:

<i>(\$ in thousands)</i>	Period Ended December 31, 2023 (Successor)		Period Ended October 1, 2023 (Predecessor)		Year Ended December 31, 2022 (Predecessor)	
	VOBA	DAC	VOBA	DAC	VOBA	DAC
Balance, beginning of period	\$ 10,856,524	\$ -	\$ 1,205,061	\$ 1,736,118	\$ 1,392,716	\$ 1,641,351
Additions	-	-	99,890	2,009,965	-	-
Cost of reinsurance	-	-	-	-	-	(4,772)
DAC capitalization	-	13,135	-	12,117	-	10,207
Interest accretion	82,978	-	8,728	49,600	9,241	30,299
Amortized to expense during the year	(411,987)	(18)	(93,267)	(21,693)	(130,067)	6,945
Unlocking	-	-	-	(1,170)	-	552
Adjustment for unrealized investment losses during the period	(334,113)	-	-	9,722	-	(3,579)
Effect of foreign currency translation and other	76,117	-	(41,382)	(455)	(66,828)	(620)
Balance, end of period	\$ 10,269,519	\$ 13,117	\$ 1,179,030	\$ 3,794,204	\$ 1,205,062	\$ 1,680,383

The expected amortization of VOBA for the next four years and thereafter is as follows:

<i>(\$ in thousands)</i>	Expected Amortization (\$)
2024	516,539
2025	442,572
2026	405,896
2027	397,948
2028 and thereafter	8,506,563

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

13. Commitments and Contingencies

Commitments

RLUSH became a member of the Federal Home Loan Bank of Topeka (“FHLB”) in 2021. Membership allows RLUSH access to the FHLB’s financial services, including the ability to obtain loans and to issue funding agreements as an alternative source of liquidity that are collateralized by qualifying mortgage-related assets, agency securities or U.S. Treasury securities. Borrowings under this facility are subject to the FHLB’s discretion and require the availability of qualifying assets at RLUSH. As of December 31, 2023 (Successor), RLUSH had an estimated maximum borrowing capacity of \$12.6 billion under the FHLB facility. RLUSH is required to pledge collateral to back funding agreements issued to the FHLB. As of December 31, 2023 (Successor) and December 31, 2022 (Predecessor), RLUSH had \$1,808 million and \$1,650 million, respectively, in non-putable funding agreements which are included in Policyholder account balances on the Consolidated Balance Sheets. As of December 31, 2023 (Successor) and December 31, 2022 (Predecessor), assets with a market value of approximately \$2,437 million and \$2,124 million, respectively, collateralized the FHLB funding agreements. Assets pledged to FHLB are primarily included in Fixed maturities, available-for-sale, at fair value on the Consolidated Balance Sheets.

As of December 31, 2023 (Successor) and December 31, 2022 (Predecessor), RLUSH established a payable of \$0.0 million and \$8.5 million, respectively, as a preferred stock dividend associated with \$100 million of Series A Preferred Shares issued to Voya Special Investments, Inc. These Preferred Stock shares were redeemed on October 5th, 2023. Due to the redemption, no dividends were accrued as of December 31, 2023 (Successor). However, dividends were accrued as of December 31, 2022 (Predecessor) and captured within Accrued expenses and other liabilities on the Consolidated Balance Sheets.

As of December 31, 2023 (Successor) and December 31, 2022 (Predecessor), RLUSH had off-balance sheet commitments to acquire mortgage loans and private placement investments of \$1,675 million and \$96.8 million, respectively. RLUSH had off-balance sheet commitments to fund limited partnerships investments of \$675.9 million and \$463.8 million as of December 31, 2023 (Successor) and December 31, 2022 (Predecessor), respectively.

RRL has commitments to make investments, primarily capital contributions to investment funds of \$297.0 million and \$386.6 million as of December 31, 2023 (Successor) and December 31, 2022 (Predecessor), respectively. These commitments will be funded from the funds withheld assets over the next three years but could become due any time upon counterparty request due to market conditions and other factors.

Regulation and Compliance

As with many financial services companies, the Company’s subsidiaries periodically receive information and formal requests for information from various governmental agencies and self-regulatory organizations in connection with examinations, inquiries, investigations and audits of the products and practices of the Company or the financial services industry. Some of the investigations, examinations, audits and inquiries could result in regulatory action against the Company. The potential outcome of such regulatory action is difficult to predict, but could subject the Company to adverse consequences, including, but not limited to, additional payments to beneficiaries, settlement payments, penalties, fines and other financial liability, and changes to the Company’s policies and procedures. The potential economic consequences cannot be predicted, but management does not believe that the outcome of any such action will have a material adverse effect on the Company’s financial position. It is the practice of the Company to cooperate fully in these matters.

Litigation

In addition to those discussed below and those otherwise provided for in the Company’s consolidated financial statements, in the ordinary course of business, the Company deals with claims, assessments,

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

litigation and regulatory matters which may have an adverse financial and/or reputational impact on the Company.

Australia Master Trust Related Matters

Following conclusion of court proceedings related to AMP issuing a request for proposal (“RFP”) for the Master Trust portfolio (insuring members of the AMP Super Fund, of which NM Super is the trustee), where judgement was delivered during 2023 in favor of NM Super and against RLAL, RLAL received various notices in late December 2023 and late January 2024 from NM Super terminating various policies that make up the Master Trust business with effect from 1 April 2024. Whilst acknowledging this notification, RLAL continues to seek remedy in the courts and directly with NM Super and the outcome of these actions remains uncertain.

Further, in connection with the RFP (and the ‘transfer’ of the Master Trust portfolio) referred to above, in April 2023 Munich Reinsurance Company of Australia (“MRA”) served a statement of claim upon RLAL and certain AMP parties, including NM Super (“MRA Proceeding”). The proceeding, commenced in the Supreme Court of New South Wales, seeks damages from the AMP parties and RLAL based on alleged misleading or deceptive conduct and an alleged breach of contractual warranties in connection with the negotiation of the terms of a reinsurance treaty in 2016 and 2017 (when RLAL was part of the AMP Group). MRA has not quantified its damages. RLAL and the AMP parties filed their defenses to the plaintiff’s statement of claim on 6 December 2023. RLAL is defending the proceedings and filing cross claims against various AMP parties where appropriate. At this time, there remains substantial uncertainty as to outcome of this matter or the potential damages MRA may establish in connection with the allegations made.

Australia Regulatory Matters

RLAL intends to remediate certain level premium income protection policies by refunding a portion of their premiums, plus interest, for a period of six years. This is connected with certain negative determinations by the Australian Financial Complaints Authority (“AFCA”) regarding past base rate premium increases on level premium products and AFCA in January 2023 deciding that RLAL had a definite systemic issue regarding this matter. Provision is estimated at between \$16 million and \$20 million in relation to this level premium remediation for customers with in-force policies.

Australia Disputes- Class Actions

RLAL is named as a respondent in two class actions against certain AMP entities lodged in the Federal Court of Australia. The first class action names both RLAL and RLNM Limited as respondents and relates to the superannuation fees. This action is consolidation of two class action proceedings commenced in May and September 2019. The second class action (which is also a consolidation of two separate proceedings) relates to financial advice and certain RLAL products. Both class actions are subject to certain indemnities under the purchase agreement with AMP.

US Disputes

The life insurance industry, including SLD, has experienced litigation alleging, for example, that insurance companies have breached terms of their life insurance policies by increasing the insurance rates of the application policies inappropriately or by factoring into rate adjustments elements not disclosed under the terms of the applicable policies, and, consequently, unjustly enriched themselves. This litigation is generally known as cost of insurance litigation. While it is not possible to forecast the outcome of such lawsuits/arbitrations, in light of existing insurance, reinsurance and established reserves, it is the opinion of management that the disposition of such lawsuits/arbitrations will not have a material adverse effect on SLD’s operations or financial position. SLD has reached agreement in principle to settle the class action lawsuit titled Advance Trust & Life Escrow Services, LTA v. Security Life of Denver (USDC District of Colorado, No. 1:18-cv-01897) (filed July 26, 2018). The agreement in principle contemplates a cash payment by SLD of \$30 million to settle all claims brought on behalf of all members of the certified class. The court approved the settlement on 13 September 2023. As part of the settlement, the Plaintiff Class

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

reserved the right to appeal the court's summary judgment ruling in favor of SLD on all claims relating to the Life Denver guaranteed universal life product. The Plaintiff Class filed its Notice of Appeal on 12 October 2023, and filed its appellate brief on 10 January 2024. SLD's brief is due on 18 March 2024.

Pledged or Restricted Assets

The Company has restricted cash and restricted cash equivalents, which has been pledged as part of the derivative arrangements, or secured as part of modified coinsurance arrangements or comfort trusts and which are shown within the Cash and cash equivalents line.

The Company has restricted investments, shown within the Fixed maturity securities, equity securities and investment funds lines, which have been secured as part of modified coinsurance arrangements.

The carrying value of the restricted assets as of December 31, 2023 (Successor) and 2022 (Predecessor) were as follows:

<i>(\$ in thousands)</i>	December 31, 2023	December 31, 2022
Fixed maturities	\$ 3,936,697	\$ 3,175,927
Equity securities	22,272	40,833
Investment funds	-	-
Comfort trust		
Fixed maturities	11,790,245	9,744,341
Equity securities	1,066	1,416
Investment funds	372,639	193,903
Cash and cash equivalents	582,822	151,766
Other investments	1,704,203	1,180,241
Other investments	171,931	168,151
Cash and cash equivalents	472,678	228,157
Total	\$ 19,054,553	\$ 14,884,735

14. Regulatory

The funding of the cash dividends and operating expenses of the Company is primarily provided by cash dividends from the Company's operating subsidiaries. The statutory capital and surplus, or net assets, of the Company's insurance subsidiaries are subject to regulatory restrictions except to the extent that dividends are allowed to be paid in a given year without prior regulatory approval. Dividends exceeding these limitations can generally be made subject to regulatory approval.

Bermuda

Under the Insurance Act 1978, as amended (Bermuda Insurance Act), RLGH Ltd. is subject to capital requirements calculated using the Bermuda Solvency and Capital Requirement ("BSCR") model, which is a standardized statutory risk-based capital model used to measure the risk associated with RLGH Ltd.'s assets, liabilities, and premiums. The same basis of calculation is applied to all of the assets and liabilities of the company, regardless of the territory in which the business has been written. RLGH Ltd.'s required statutory economic capital and surplus under the BSCR model is referred to as the enhanced capital

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

requirement ("ECR"). RLGH Ltd. is required to calculate and submit confirmation of compliance with the ECR to the Bermuda Monetary Authority ("BMA") annually. In addition, RLGH Ltd. is required to calculate a further solvency measure typically based on the Bermudan statutory accounts, referred to as the minimum solvency margin ("MSM") and confirm compliance annually.

Following receipt of the submission of RLGH Ltd.'s statutory and BSCR reporting the BMA has the authority to impose additional capital requirements (capital add-ons) if it deems necessary. As of December 31, 2023 (Successor), RLGH Ltd. is in compliance with all regulatory capital requirements.

RRL is licensed by the BMA as a Class E insurer and is subject to the Bermuda Insurance Act and regulations promulgated thereunder. In accordance with BMA regulations, RRL is required to submit quarterly filing with the BMA. As of December 31, 2023 (Successor) and December 31, 2022 (Predecessor), RRL's Statutory Capital and Surplus was \$2.7 billion and \$2.4 billion, and the Company has met all minimum regulatory requirements. The BMA has granted the Company a modification in which the Company is not required to record the effect of DIG B36 and is permitted to record the fixed income securities within the funds withheld receivable at amortized cost in the unconsolidated Statutory Financial Statements. For the year-ended December 31, 2023 and year ended December 31, 2022, the effect of this modification on the Company's Statutory Capital and Surplus was \$(914) million and \$3.7 billion. For the period ended December 31, 2023 and year ended December 31, 2022, the statutory net income (loss) was \$(168) million and \$(240.0) million, respectively.

Australia

RLAL, RLNZ and RLNM Limited ("RLNM") are the three registered life insurance companies within RLGHA. RLAL and RLNM are regulated by APRA and RLNZ is regulated by the Reserve Bank of New Zealand ("RBNZ"). RLAL is licensed by the Reserve Bank of New Zealand to carry on insurance activities in New Zealand.

Controlled entities of RLAL also include APRA regulated approved superannuation trustees ("RSE") and companies that hold Australian Financial Services Licenses ("AFSL"). The Minimum Regulatory Capital Requirement ("MRR") is the amount of shareholder capital required by each of the Company's Australian and New Zealand regulated businesses to meet their capital requirements as set by the appropriate regulator. These requirements are capital adequacy requirements as specified under the Life Act and APRA Life Insurance Prudential Standards (this applies to the Company's Australian and New Zealand regulated businesses as a whole, and each statutory fund), and controlled entities that hold an AFSL and RSE license – capital and liquidity requirements under the appropriate AFSL and APRA Superannuation Prudential Standards.

As of December 31, 2023 (Successor), the Company's Australian and New Zealand regulated subsidiaries complied with the applicable externally imposed capital requirements. As of December 31, 2023 (Successor) and December 31, 2022 (Predecessor) the combined Statutory Capital and Surplus of RLAL, RLNZ and RLNM was A\$2.4 billion and A\$2.4 billion respectively, which includes A\$1.0 billion of restricted capital related to the RLAL's participating business under the Australia Life Act. For the period ended December 31, 2023 and year ended December 31, 2022, the statutory net income (loss) was \$(148.1) million and \$0.5 million, respectively.

USA

SLD and RLCO prepare their statutory-basis financial statements in conformity with accounting practices prescribed or permitted by the State of Colorado Division of Insurance. SLDI and RRII prepare their statutory-basis financial statements in conformity with accounting practices prescribed or permitted by the State of Arizona Department of Insurance and Financial Institutions. MULIC prepare their statutory-basis

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

financial statements in conformity the State of Indiana Department of Insurance. The statutory-basis financial statements are prepared in conformity with the National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual, subject to any deviations prescribed or permitted by the aforementioned state departments. Statutory accounting practices differ from GAAP primarily since they require establishing life insurance reserves based on different actuarial assumptions, and valuing certain investments at amortized cost. Statutory accounting practices do not give recognition to purchase accounting adjustments. Permitted statutory accounting practices encompass all accounting practices not so prescribed.

SLD’s, SLDI’s, RRII’s, MULIC’s and RLCO’s statutory net income (loss) for the year ended December 31, 2023 (Successor) were \$(640.7) million, \$46.8 million, \$(71.1) million, \$5.6 million and \$(13.1) million, respectively. SLD’s, SLDI’s, RRII’s, MULIC’s and RLCO’s statutory capital and surplus was \$1.5 billion, \$183.6 million, \$272.2 million, \$164.7 million and \$1.6 billion as of December 31, 2023 (Successor), respectively.

SLD’s, SLDI’s, RRII’s, MULIC’s and RLCO’s statutory net loss for the year ended December 31, 2022 (Predecessor) were \$202.4 million, \$20.4 million, \$(81.3) million, \$13.3 million and \$(14.5) million, respectively. SLD’s, SLDI’s, RRII’s, MULIC’s and RLCO’s statutory capital and surplus was \$1.3 billion, \$171.4 million, \$240.3 million, \$159.4 million and \$1.4 billion as of December 31, 2022 (Predecessor), respectively.

Resolution Operations LLP is authorized and regulated by the Financial Conduct Authority in the United Kingdom.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

15. Related Parties

The subsidiaries of RLGH Ltd. as of December 31, 2023 (Successor) are comprised of the following entities:

R (BMU) Management GP Ltd.

RLGH Finance Bermuda Ltd. (“RLGH FB”)

Resolution Life Group Services Ltd. (“RLGS”)

Resolution Life Services Canada, Inc.
Resolution (Brands) Limited
Resolution Operations LLP
Resolution Life IP Limited

Resolution Life UK Holdings Ltd

Resolution Life U.S. Intermediate Holdings Ltd (“RLUSIH”)

Resolution Life U.S. Parent Inc.

Resolution Life U.S. Holdings Inc. (“RLUSH”)

Resolution Life Services (US) Inc (“RLS US”)
RL Payroll Management Company LLC
Resolution Life Funding US LLC
Resolution Life Colorado Inc.
Security Life of Denver International Limited
Security Life of Denver Insurance Company (“SLD”)
SLD America Equities, Inc
Midwestern United Life Insurance Company
Roaring River II, Inc

Resolution Life Asia Pte Ltd.

Resolution Life Group Finance (Bermuda) Ltd. (“RLGFB”)

Resolution Life Finance (Bermuda) Ltd. (“RLFB”)

Resolution Re Finance (Bermuda) Ltd. (“RRFB”)

Resolution Life Services (Bermuda) Ltd. (“RLSB”)

Resolution Life US Re Ltd.

Resolution Re Ltd. (“RRL”)

Resolution Life Holdings ISAC Ltd.

Resolution Life Group Holdings (Australia) Pty Ltd (“RLGHA”)

Resolution Life NOHC Pty Ltd (“NOHC”)

Resolution Life New Zealand Ltd. (“RLNZ”)

Resolution Life Services NZ Limited

Resolution Life Australia Pty Ltd. (“RLA”)

Resolution Life Financial Services Holdings Limited

Resolution Life AAPH Ltd.

RLNM Limited

Resolution Life Services Australia Pty Ltd.

Resolution Life Australasia Limited

Resolution Life Remuneration Reward
Plans
Nominees Pty Ltd.
Resolution Life Personal Investment
Services Pty Ltd.
Principal Healthcare Holding Pty Limited
Resolution Life Global Property
Investments Pty Ltd.
Glendenning Pty Ltd.
Collins Place Pty Ltd.
Collins Place No. 2 Pty Ltd.
Resolution Life Ergo Mortgage and
Savings Ltd.
Resolution Life (NZ) Investments
Holding Limited
Resolution Life (NZ) Investments
Limited

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

The Company reported the following amounts due from affiliates and due to affiliates as of December 31, 2023 (Successor) and 2022 (Predecessor):

<i>(\$ in thousands)</i>	2023 (Successor)	2022 (Predecessor)
Receivables		
Resolution Life Group Holdings L.P.	\$ -	\$ 687
Total due from affiliates	<u>\$ -</u>	<u>\$ 687</u>

<i>(\$ in thousands)</i>	2023 (Successor)	2022 (Predecessor)
Payables		
Resolution Life Group Holdings L.P.	\$ -	\$ 52
Blackstone ISG-I Advisors LLC	12,878	-
Total due to affiliates	<u>\$ 12,878</u>	<u>\$ 52</u>

Intercompany receivable and payable balances are evaluated on an individual company basis. Intercompany balances are generally settled quarterly.

The Company has an agreement with Voya Investment Management Co. LLC, an affiliate of Voya Financial, Inc., to provide investment management services with respect to certain investments. For the period ended December 31, 2023, period ended October 1, 2023, and year ended December 31, 2022, \$6.9 million, 20 million and \$30.5 million of fees were expensed in relation to this agreement, respectively. As of December 31, 2023 (Successor) and December 31, 2022 (Predecessor), \$9.1 million and \$7.1 million was payable to Voya Investment Management Co. LLC in relation to this agreement, respectively.

The Company has an agreement with J.P. Morgan Investment Management Inc. (“JPIM”), an affiliate of JPMC Strategic Investments I Corp, to manage AFS securities. For the period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022, \$1.2 million, \$3.7 million and \$3.6 million of fees were expensed in relation to this agreement, respectively. As of December 31, 2023 (Successor), \$1.2 million remains payable to JPIM in relation to the investment management services.

The Company has an agreement with Kohlberg Kravis Roberts & Co. LP (“KKR”), an affiliate of KKR Radar LLC, to manage assets supporting the funds withheld assets. For the period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022, management fees of \$0.0 million, \$0.2 million and \$2.4 million were incurred in relation to this agreement, respectively. As of December 31, 2023 (Successor), \$0 million remains payable to KKR in relation to this agreement and KKR are no longer a related party.

The Company has an agreement with Blackstone ISG-I Advisors LLC to serve as investment manager for a portion of its investment portfolios. For the period ended December 31, 2023, period ended October 1, 2023, \$14.2 million and \$31.7 million of fees were expensed in relation to this agreement, respectively. For the year ended December 31, 2022, \$0 of fees were expensed in relation to this agreement. As of December 31, 2023 and 2022, \$12.9million and \$0 million was payable to Blackstone ISG-I Advisors LLC in relation to this agreement, respectively.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

16. Long-Term Debt

The table below presents the Company's Long-term debt as of December 31, for the years indicated as follows:

(\$ in thousands)	Type of Debt	Issue Date	Maturity Date	Principal Balance	Interest Rate		Outstanding Balance	
					2023 (Successor)	2022 (Predecessor)	2023 (Successor)	2022 (Predecessor)
RLAL	Subordinated notes	December 9, 2020	December 9, 2035	\$ 223,000	7.66 %	6.56 %	\$ 203,832	\$ 199,377
RLUSH	Surplus note	January 1, 2021	January 1, 2036	\$ 123,000	5.00 %	5.00 %	\$ 123,000	\$ 123,000
RLUSIH	Redeemable preference shares (Series B)	January 1, 2021	January 1, 2026	\$ 12,500	8.50 %	8.50 %	\$ -	\$ 12,500
RLUSIH	Redeemable preference shares (Series C)	January 1, 2021	January 1, 2031	\$ 12,500	8.50 %	8.50 %	\$ -	\$ 12,500
RRFB	Bride facility	September 23, 2021	September 23, 2024	\$ 251,256	7.68% *	6.03 %	\$ -	\$ 250,239
RLGH FB	Senior unsecured debt (Monarch I)	December 21, 2021	**	\$ 1,500,000	**	**	\$ 1,495,680	\$ 1,494,108
RLGH FB	Senior unsecured debt (Monarch II)	September 12, 2023	September 12, 2028	\$ 750,000	7.08 %	- %	\$ 745,558	\$ -
Total Long-term debt							\$ 2,568,070	\$ 2,091,724

*The interest rate at the time of repayment on September 15, 2023.

** Monarch I maturity date and interest rate differs between Tranche 1 and Tranche 2. See below note for details.

The Company's Interest expense on Long-term debt for the period ended December 31, 2023, period ended October 1, 2023, and year ended December 31, 2022:

(\$ in thousands)	Period ended December 31 2023 (Successor)	Period ended October 1 2023 (Predecessor)	Year ended December 31 2022 (Predecessor)
RLAL Subordinated notes	\$ 5,121	\$ 19,235	\$ 13,763
RLUSH Surplus note	1,537	4,613	6,045
RLUSIH Redeemable preference shares (Series B & Series C)	146	1,589	2,125
RRFB Bridge facility	-	13,240	10,169
RLGH FB Senior unsecured debt (Monarch I)	26,248	71,085	48,203
RLGH FB Senior unsecured debt (Monarch II)	13,810	2,044	-
RLGH FB perpetual subordinated notes	-	22,750	-
Total Interest expense on Long-term debt	\$ 46,862	\$ 134,556	\$ 80,305

Financing and underwriting costs associated with the below facilities have been deferred and are presented net in Long-term Debt on the Consolidated Balance Sheets. These costs will be amortized over the duration of the applicable borrowing. The table below presents the Company's unamortized financing and underwriting costs, and the amortization expense incurred for the periods and years indicated as follows:

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

(\$ in thousands)	Unamortized Debt Issuance Costs		Amortization expense		
	Year ended December 31, 2023 (Successor)	Year ended December 31, 2022 (Predecessor)	Period ended December 31 2023 (Successor)	Period ended October 1 2023 (Predecessor)	Year ended December 31 2022 (Predecessor)
RRFB Bridge facility	\$ -	\$ 1,017	\$ -	\$ 1,017	\$ 581
RLGH FB Senior unsecured debt (Monarch I)	\$ 4,320	\$ 5,892	\$ 398	\$ 1,175	\$ 3,329
RLGH FB Senior unsecured debt (Monarch II)	\$ 4,443	\$ -	\$ 236	\$ 38	\$ -

RLAL Subordinated notes

The subordinated notes have an optional early redemption of December 9, 2025, which is subject to APRA approval. The subordinated notes bear interest equal to the Bank Bill Swap rate (“BBSW”) plus 3.3%. The BBSW was 4.36% and 3.26% as of December 31, 2023 (Successor) and 2022 (Predecessor), respectively.

RLUSH Surplus notes

RLUSH through its indirect subsidiaries issued one surplus note. The principal is payable at maturity and interest is payable semiannually on January 1 and July 1. Payments of interest and principal on these surplus notes may be made only with the prior approval of the insurance department of the State of Colorado.

RLUSIH Preference shares

In conjunction with the Voya Transaction, Resolution Life U.S. Intermediate Holdings Ltd., the parent of RLUSH, issued mandatory redeemable Series B Cumulative Preferred Stock and Series C Cumulative Preferred Stock. Both series are recorded as a liability in accordance with ASC 480, “Distinguishing Liabilities from Equity,” which states that mandatorily-redeemable financial instruments should be classified as liabilities. In addition, the related dividend payments are treated similarly to interest expense. All series of shares were redeemed on October 5, 2023.

RRFB Bridge Facility

In accordance with the facility’s interest calculation fallback provisions, from January 1, 2022, LIBOR was replaced with a daily compounded reference rate which is the aggregate of the daily non-cumulative compounded SOFR and the applicable credit adjustment spread plus 2.25%. The principle balance was repaid in full on September 15, 2023.

RLGH FB Senior unsecured debt- Monarch I

The Company entered into a facility arrangement (“RLGH FB Facility”) for \$1.5 billion and a revolving credit facility of \$500 million. The revolving credit facility of \$500 million was closed on September 12, 2023 and replaced by the new facility arrangement revolving credit facility. The RLGH FB Facility agreement consists of two tranches with a principal amount of \$750 million per tranche. The first tranche has an attached interest rate of the secured overnight financing rate (“SOFR”) plus 1.3%, with a maturity of December 2025. The second tranche has an attached rate of SOFR plus 1.4% and a maturity of December 2026. SOFR as of December 31, 2023 (Successor) and December 31, 2022 (Predecessor) was 5.38% and 3.08%, respectively. No principal payments are due until maturity for both tranches.

RLGH FB Senior unsecured debt- Monarch II

The Company entered into a new facility arrangement (“New Facility”) for \$750 million and a revolving credit facility of \$750 million, of which, \$750 million still remains undrawn as of December 31, 2023 (Successor). The New Facility has an attached interest rate of SOFR plus 1.7%, with a maturity of September 2028. SOFR as of December 31, 2023 (Successor) was 5.38%. No principal payments are due until maturity.

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

RLGH FB Perpetual subordinated notes

On March 30, 2023, RLGH FB issued \$500 million of 9% perpetual subordinated notes to Blackstone. Following the closing of the transaction as noted on October 2, 2023, the \$500 million subordinated debt plus the accrued interest on the debt of \$12.75 million was contributed in exchange for 799 common shares in equity and \$513 million presented in additional paid-in capital. Prior to conversion the notes were classified as eligible capital under the BMA rules.

Principal Repayments

The principal repayments for the next five years is as follows:

(\$ in thousands)

2024	\$	-
2025	\$	750,000
2026	\$	750,000
2027	\$	-
2028	\$	750,000

Credit Facility

The Company uses credit facilities to provide collateral required primarily under its affiliated reinsurance transactions with captive insurance subsidiaries and for the issuance of letters of credit for its reinsurance programs.

Information on the credit facilities as of December 31, 2023 (Successor) and December 31, 2022 (Predecessor) were as follows:

December 31, 2023 (Successor) <i>(\$ in thousands)</i>	Type of facility⁽¹⁾	Secured/ Unsecured	Committed/ Uncommitted	Expiration	Currency	Maximum Borrowing Capacity	Utilization	Unused Commitment
RLUSH/SLD	RFA	Unsecured	Committed	January 4, 2046	USD	3,000,000	2,452,000	548,000
RLUSH/SLD	RFA	Unsecured	Committed	December 31, 2024	USD	600,000	513,017	86,983
RLUSH/SLDI	RFA	Secured	Committed	July 1, 2037	USD	1,775,000	1,665,783	109,217
RLUSH/SLD	LOC	Unsecured	Committed	August 1, 2026	USD	200,000	200,000	-
RRL	LoC	Unsecured	Committed	September 28, 2027	CHF	300,000	145,000	155,000
RRL	LoC	Unsecured	Committed	March 31, 2027	USD	450,000	-	450,000
RRL	LoC	Unsecured	Committed	April 14, 2027	JPY	14,400,000	-	14,400,000
RLGH FB	RCF	Unsecured	Committed	September 12, 2028	USD	750,000	-	750,000
RLA	RCF	Unsecured	Committed	December 16, 2024	AUD	100,000	35,000	65,000

Resolution Life Group Holdings Ltd.
Notes to the Consolidated Financial Statements
(\$'s in thousands)

December 31, 2022 (Predecessor) <i>(\$ in thousands)</i>	Type of facility⁽¹⁾	Secured/ Unsecured	Committed/ Uncommitted	Expiration	Currency	Maximum Borrowing Capacity	Utilization	Unused Commitment
RLUSH/SLD	RCF	Unsecured	Committed	January 4, 2046	USD	3,000,000	2,347,000	653,000
RLUSH/SLD	RCF	Unsecured	Committed	December 31, 2024	USD	600,000	491,623	108,377
RLUSH/SLD	RCF	Secured	Committed	July 1, 2037	USD	1,775,000	1,700,413	74,587
RRL	LoC	Unsecured	Committed	September 28, 2027	CHF	300,000	220,000	80,000
RRL	LoC	Unsecured	Committed	March 31, 2027	USD	450,000	-	450,000
RRL	LoC	Unsecured	Committed	April 14, 2027	JPY	14,900,000	1,727,822	13,172,178
RLGH FB	RCF	Unsecured	Committed	December 21, 2026	USD	500,000	-	500,000
RLA	RCF	Unsecured	Committed	December 16, 2024	AUD	100,000	-	100,000

⁽¹⁾ Revolving Credit Facility (“RCF”); Letters of Credit (“LoC”); Reserve Financing Arrangement (“RFA”)

17. Goodwill

The changes in the carrying amount of goodwill for the period ended December 31, 2023, period ended October 1, 2023 and year ended December 31, 2022 were as follows:

<i>(\$ in thousands)</i>	Period Ended December 31, 2023 (Successor)	Period Ended October 1, 2023 (Predecessor)	Year Ended December 31, 2022 (Predecessor)
Goodwill, beginning of period	\$ 512,704	\$ 67,629	\$ 71,409
Effect of foreign currency translation	7,686	(2,510)	(3,781)
Goodwill, end of period	<u>\$ 520,390</u>	<u>\$ 65,119</u>	<u>\$ 67,629</u>

18. Subsequent Events

The Company has evaluated subsequent events for recognition or disclosure through April 24, 2024, date these financial statements were available for issuance.

Notices were received in late January 2024 from NM Super terminating various policies that make up the Master Trust business with effect from 1 April 2024. Refer to Note 13. Commitments and Contingencies for detail on this matter.

On April 3, 2024, the Company entered into an agreement with Suncorp Group to acquire its New Zealand life insurance company, Asteron Life New Zealand (Asteron Life) for \$244m. The acquisition will provide Resolution Life with significant scale and capability in the New Zealand market,

There were no other material events that occurred subsequent to December 31, 2023.