Financial review from our CFO

"Our people worked very hard this year, determined to continue our record of success. This was reflected in the solid underlying business and financial performance that Resolution Life delivered in 2024."

Jonathan Moss
Chief Financial Officer

Financial review from our CFO continued

$7.7bn
adjusted book value

$247m
adjusted operating earnings

$150m
dividend to shareholders

I moved into the role of Chief Financial Officer during 2024, having previously served as CEO of Resolution Re and before that leading the Company's risk function. Though there were headwinds this year, I was pleased to observe so many people working very hard, determined to meet the challenges and continue our record of success. This was reflected in the business and financial performance that Resolution Life delivered.

Our transformation and on-boarding programmes proceeded well, in line with our timetable. The quality of our investment portfolio remained very high but the pace of asset rotation was slower than expected. We grew our business through transactions, raised new debt and further strengthened a robust capital position that leaves us well-placed for further growth. The cash we generated enabled us to pay a dividend of $150m to our shareholders.

Our insurance and investment performance

In the business of life insurance we cannot control mortality, policy lapses or investment markets. Rather, we seek to control our exposure to them so that the fluctuation in results is contained within reasonable bounds. We recognise and plan for the inevitable variability one year to the next and view our results over a longer timeframe. In 2024 we saw adverse effects on both mortality rate in the US and renewals in two of our portfolios. These fluctuations were within the normal bounds of variability but did have an impact on our overall results.

Looking at investment income, markets were generally benign, which benefited our fixed income assets. Our plan of rotating our investments into new, higher-yielding asset classes, however, moved slower than planned due to the lack of capital markets activity. In the first half of 2025, we expect to complete the rotation of the assets that were on our books at the end of 2024, assuming capital markets activity picks up.

Our strong capital position

We have a well-defined risk framework and capital targets for all our regulated entities, which we've continued to meet. In July 2024, we completed our inaugural $500m Tier 2 listed debt issuance amid oversubscribed investor demand, further strengthening our capital position. Under the Bermuda Solvency Capital Requirement, our Company solvency ratio is 197%[1].

We have strong investment grade ratings from Moody's and Fitch for both our regulated insurance entities and the holding company. During the year Moody's upgraded the financial strength rating of the US subsidiary, Security Life of Denver, to A3.

Further, following the announcement of our acquisition by Nippon Life, Moody's placed our ratings on review for possible upgrade, while Fitch placed our ratings on Rating Watch Positive.

Outlook

We see cautious optimism in the capital markets and expect relative spread stability to continue. While there is likely to be an elevated level of rates uncertainty due to heightened geopolitical risks and potential trade tensions, the insurance sector remains strongly capitalised with resilient business performance. Our rigorous focus on good credit quality in our investment portfolios makes us well positioned to weather any volatility.

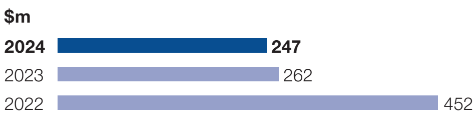
Jonathan Moss Chief Financial Officer

1 The BSCR ratio presented for Q4 2024 is an estimate, pending submission of the annual solvency filing to the Bermuda Monetary Authority.

Financial review from our CFO continued

Adjusted operating earnings

Adjusted operating earnings decreased by 6% to $247m (2023: $262m), primarily driven by higher forex losses from our non-US dollar denominated exposures and increased expenses to support the growth of the business and build capability. This was partly offset by higher net investment income from asset portfolio rotation, higher surrender income driven by higher lapses on the Fixed Annuity products as well as full year earnings contribution from the acquisition of Farmers New World Life Insurance Company in Q3 2023.



Adjusted book value

On an adjusted basis, the Company continues to accrete shareholder's equity, with an adjusted book value of $7,697m (2023: $6,750m). The higher adjusted book value reflects additional capital contributions from investors of $762m, accretion of earnings, less dividends paid to shareholders.

Insurance subsidiary companies' cash generation

Insurance subsidiary companies' cash generation is defined as the excess above target capital ratios and collateral requirements in each subsidiary.

The cash generation of $112m in 2024 was lower than 2023 ($765m), mainly reflecting lower cash generation in the US driven by higher realised capital losses and increased required capital due to asset portfolio rotation, which provides higher investment returns going forward and is a key element of Company strategy. The cash generation in Australasia also declined mainly reflecting significant tax benefits of asset rotation realised in 2023, not repeated in 2024. Increased asset rotation realised upfront reserving benefits on the market-based Bermuda economic balance sheet although this was somewhat offset by higher lapses on the fixed indexed annuity products.

Group leverage ratio

Our financial leverage ratio definition is consistent with the Fitch Rating Methodology and uses our adjusted measure of book value. We have a financial leverage target of 25%-30%, which is consistent with our 'A' range financial strength rating target. We manage the financial leverage ratio carefully given its influence on our credit rating, funding costs and ability to maintain financial flexibility.

The leverage ratio decreased to 25% (2023: 28%), mainly reflecting the higher adjusted book value. The Company successfully executed a $500m Tier 2 bond whose proceeds were used to partially repay the senior debt facility due in December 2025, with no change to overall debt for the Company.

25% 2024

28% 2023

Group Bermuda Solvency Capital Requirement (BSCR) ratio[1]

Company solvency capital is calculated in line with the requirements of the Bermuda insurance regulatory framework. We seek to maintain a strong Company solvency position, in line with our risk appetite.

The ratio presented is an estimate as of Q4 2024, and includes the impact of the Tier 2 bond issuance and asset rotation largely offset by the implementation of the new Bermudan solvency regulations and the dividend payment of $150m.

197% 2024

181% 2023

Solvency ratios

Local solvency ratios are presented in line with the regulatory regimes in territories in which each of our subsidiaries operate.

The ratios have remained very strong throughout the year, in the face of significant market volatility, with all our businesses above target levels of capitalisation.

Solvency ratio	31 December 2024	31 December 2023	Target
Resolution Re BSCR[1]	199%	219%	>195%
Australasia PCA (Life Co)	273%	237%	>200%
USA RBC (RLCO)	435%	522%	>380%

1 The BSCR ratio presented for Q4 2024 is an estimate, pending submission of the annual solvency filing to the Bermuda Monetary Authority.

Other financial information

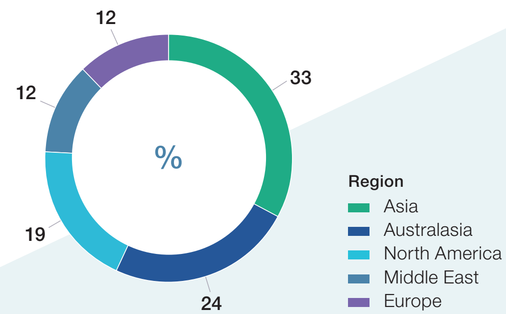
Equity

Our equity investor base is global and includes our partners, Blackstone and Nippon Life, as well as sovereign investment funds, superannuation funds, pension funds, asset managers, family offices, financial institutions and insurers.

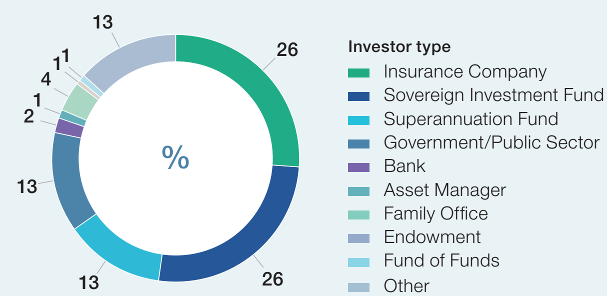
Borrowings

- In July 2024, we executed our inaugural public debt issuance of $500m Tier 2 listed notes due 2031 from RLGH Finance Bermuda Ltd and guaranteed by Resolution Life Group Holdings Ltd.
- In September 2024, we repaid $500m of the $750m senior unsecured loan at RLGH Finance Bermuda Ltd maturing in December 2025

Equity investors by geography



Equity investors by type



Source: Resolution Life Group Services

Other financial information continued

As a result, we have the following regulatory capital and debt instruments outstanding:

Regulatory Capital:

- A$300m Tier 2 instrument issued by Resolution Life Australasia with a legal maturity of 2035 and a first call in 2025
- $123m Surplus Notes issued by Security Life of Denver Insurance Company with a legal maturity of 2036 and a first call in 2026
- $500m Tier 2 instrument issued by RLGH Finance Bermuda Ltd with a legal maturity of 2031

Debt Instruments:

- $250m senior unsecured term loan at RLGH Finance Bermuda Ltd maturing in December 2025
- $750m senior unsecured term loan at RLGH Finance Bermuda Ltd maturing in December 2026
- $750m senior unsecured term loan at RLGH Finance Bermuda Ltd maturing in September 2028
- $750m committed revolving credit facility at RLGH Finance Bermuda Ltd maturing in September 2028 (currently undrawn)
- A$100m committed revolving credit facility at Resolution Life NOHC Pty Ltd maturing in December 2027 (currently undrawn)

Current trading

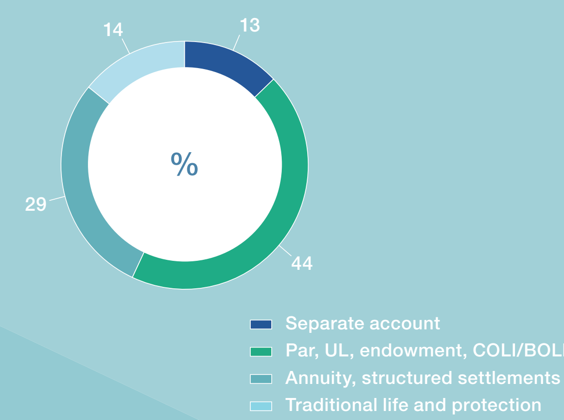
In January 2025, we completed the NZ$410m acquisition of Asteron Life New Zealand. While Resolution Life and Asteron Life will continue to operate under separate brands in the local market, both businesses will benefit from the combined scale, capabilities and broader reach.

In March 2025, we signed a $9.7bn reinsurance agreement with Protective Life. The transaction scope includes blocks of in-force structured settlement annuities and secondary guarantee universal life business and showcases our ability to manage complex life and annuity products at scale.

NZ$410m
acquisition of Asteron Life New Zealand

$9.7bn
reinsurance agreement with Protective Life

Reserves by product type



Reserves by insurance subsidiary