

# Investor Presentation

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April 2025

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Forward-looking statements are not guarantees of future performance or outcomes and such statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from the results expressed or implied, including: deterioration of general conditions in the global capital markets and the economy; adverse capital and credit market conditions; inability to receive dividends or other distributions from our operating subsidiaries for liquidity and to fund debt obligations; inability to grow new business volumes or continue new business volumes at historic levels; risks arising from or related to acquisitions or other strategic transactions; risks related to natural and man-made disasters and catastrophes, diseases, epidemics, pandemics, malicious acts, cyberattacks, war, terrorist acts, civil unrest and climate change; effects of climate change; inaccuracies in our policyholders' evaluations or disclosures of the exposures associated with their insurance underwriting; risks related to our international operations; changes in accounting standards; failure to maintain adequate reserves; the risk of inflation; errors or other failures in models that rely on a number of estimates, assumptions, sensitivities and projections that are inherently uncertain and which may contain misjudgments and errors; a downgrade in our financial strength, credit or other ratings applicable to our business; our exposure to credit risk; competition and consolidation in the reinsurance industry; failure to attract and retain our key executives and qualified personnel; failure to collect premiums owed to us by our cedants' policyholders or intermediaries; illiquidity of portions of our investment portfolio during times of market volatility or disruption; failure of our risk management policies and procedures to adequately identify, monitor and manage risks; changes in U.S. federal, state and other income tax, securities and insurance laws and regulations or the interpretation of such laws; our indebtedness levels; adverse outcomes of legal or regulatory actions; possible future legal proceedings and regulatory investigations; reductions in the value of our investment portfolio; failure to source investment opportunities; failure to obtain additional debt or equity financing; changes in consumer preferences; our reliance on third-party IT systems; a breach of information security or other failure to protect confidential information; the impact of changes in regulatory systems or loss of, or restrictions placed on, authorizations, permits or licenses under which we operate; our failure to comply with existing applicable regulations, the imposition of new regulations or material changes in regulation, including any breach of regulatory capital requirements; and various other factors beyond the Company's control. Furthermore, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Presentation. Such statements reflect various assumptions by the management of the Company concerning anticipated results, which assumptions may or may not prove to be correct.

# Important Notices & Disclaimers (2/2)

This Presentation includes certain non-GAAP financial measures. The non-GAAP measures provided herein, including "Adjusted Equity", "Core Operating Earnings", "Net Invested Assets, at Carrying Value", and "Core Operating Earnings on Average Net Invested Assets, at Carrying Value" (abbreviated as "Core Return on Assets" in this Presentation), may not be directly comparable to similar measures used by other companies in the Company's industry, as other companies may define such measures differently. The Company believes that the non-GAAP measures included within this Presentation provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. The non-GAAP measures presented herein are not measurements of financial performance under GAAP, and should not be considered as alternatives to, and should only be considered together with, the Company's financial results in accordance with GAAP. The Company does not consider these non-GAAP measures to be a substitute for, or superior to, the information provided by GAAP financial results nor are they necessarily comparable to non-GAAP measures that may be presented by other companies. For a reconciliation of such non-GAAP measures to the most comparable GAAP measure, please see the Appendix.

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# FORTITUDE RE<sup>®</sup> is a global reinsurer with a diversified liability portfolio, robust capitalization and deep underwriting expertise

## Company Overview

- We deliver strategic legacy and flow reinsurance solutions through underwriting and risk management discipline
- Bermuda group supervised with operations in Bermuda, the U.S. and Japan

**\$6.5B**  
Group Total  
Available Capital<sup>1</sup>

Supported by  
Sophisticated  
Investors

**CARLYLE T&D**  
+ Other Pensions / Sovereign  
Wealth Funds

## Strong Financial Profile

### Balance Sheet Strength

Bermuda Operating Entities' ECR <sup>2</sup>	195%
US Operating Entity's RBC <sup>3</sup>	590%
Financial Leverage <sup>4</sup>	23%

### Profitability<sup>7</sup>

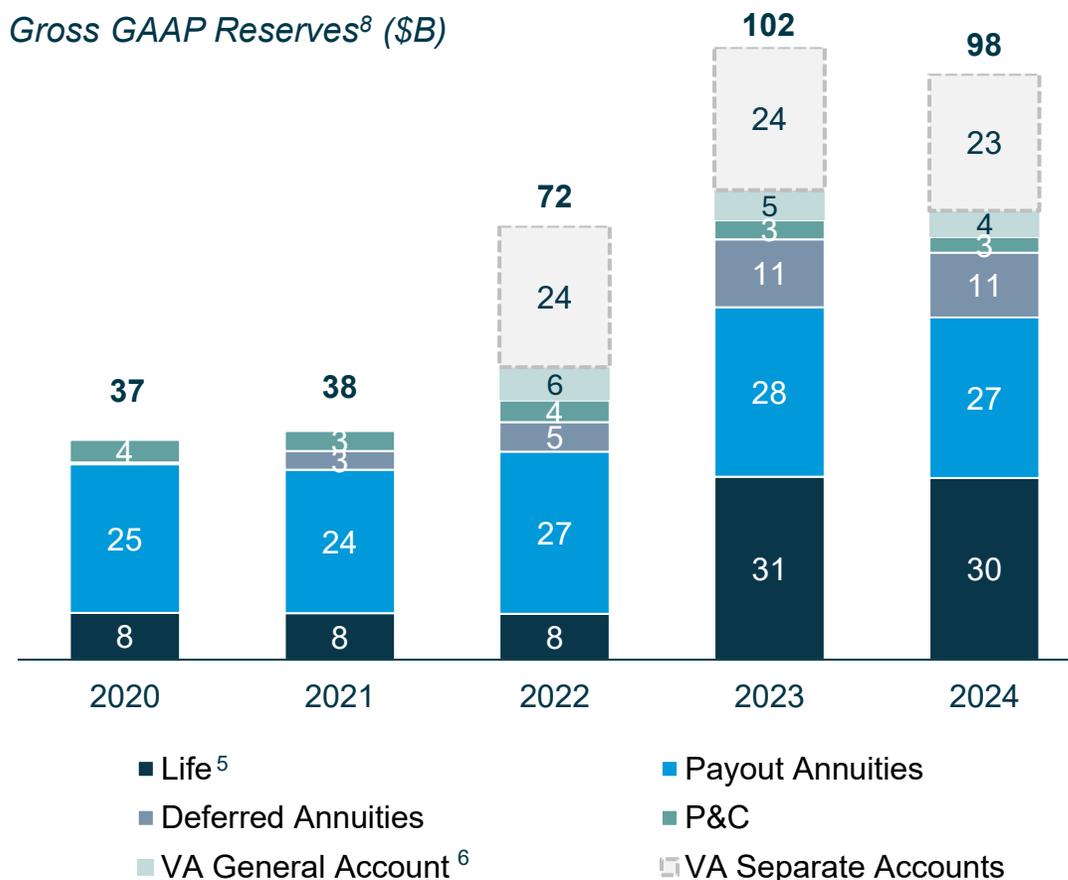
Core Operating Earnings	\$794M
Core Return on Assets	1.1%

### Financial Strength Ratings

<b>Moody's</b>	<b>A3</b>
<b>Fitch</b>	<b>BBB+</b>
<b>AM Best</b>	<b>A</b>

## Reinsurance Leader with Growing, Diversified Portfolio

Gross GAAP Reserves<sup>8</sup> (\$B)

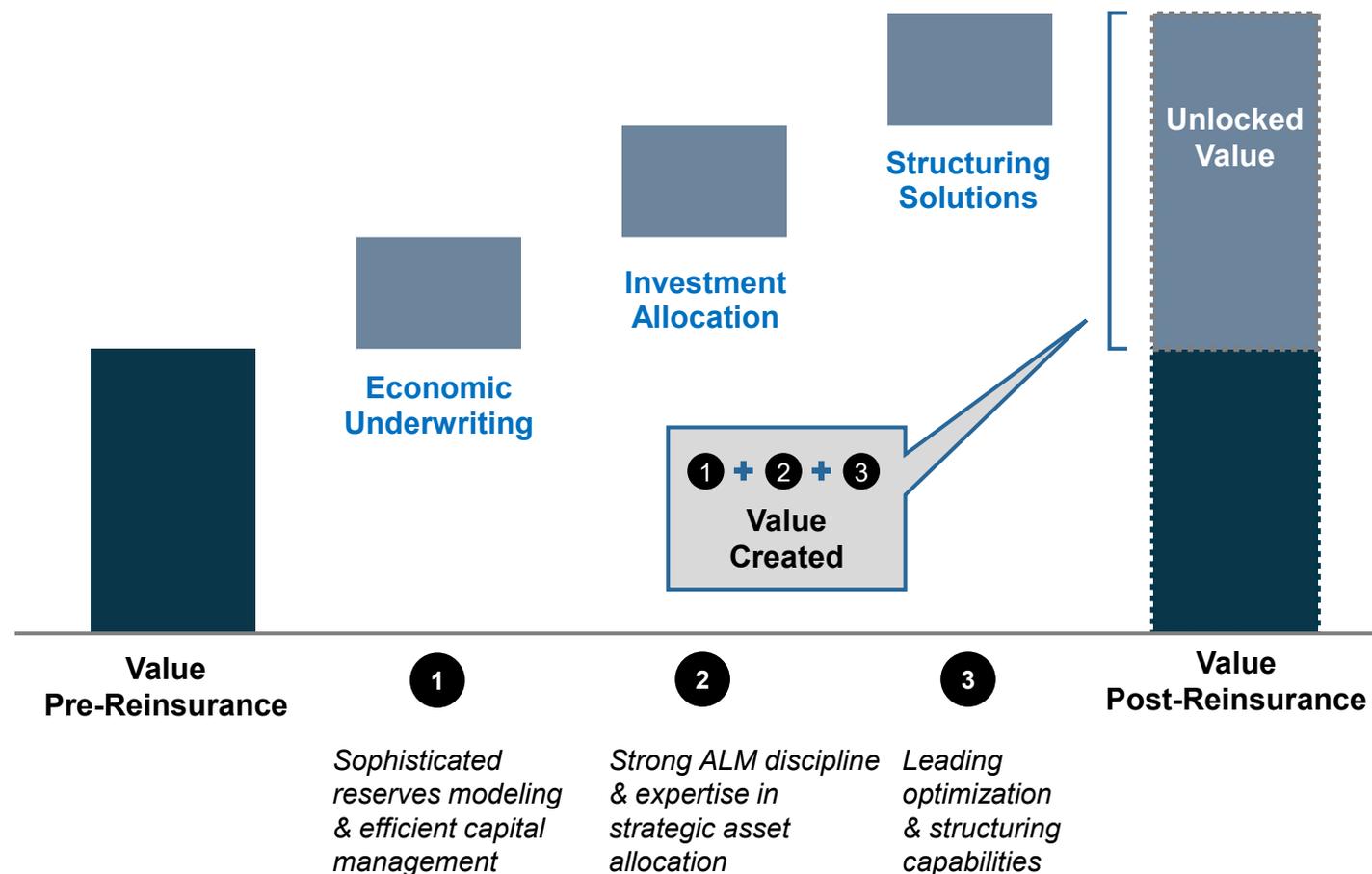


1. Group Total Available Capital reflects Total Available Statutory Capital at all operating entities as well as the Capital & Surplus at non-operating entities, as of September 30, 2024  
 2. Consolidated BMA capital ratio across Bermuda operating entities, as of September 30, 2024  
 3. US operating entity's NAIC RBC capital ratio (CAL basis) as of December 31, 2024  
 4. As of December 31, 2024

5. Includes de minimis amount of accident and health  
 6. VA is abbreviation for Variable Annuity  
 7. Profitability metrics Core Operating Earnings and Core Return on Assets are shown and defined on P.11; as of December 31, 2024  
 8. Gross Reserves include \$2.2B of General Account Reserves ceded back to Prudential as part of the PALAC acquisition

# We utilize several levers to deliver our value proposition to clients across our block and flow businesses

## Illustrative Reinsurance Value Creation



## Business Model



**BLOCK**

- Expertise in large complex liabilities/structures
- Seasoned, long duration policies with predictable cashflows
- Opportunistic P&C loss portfolio transfer



**FLOW**

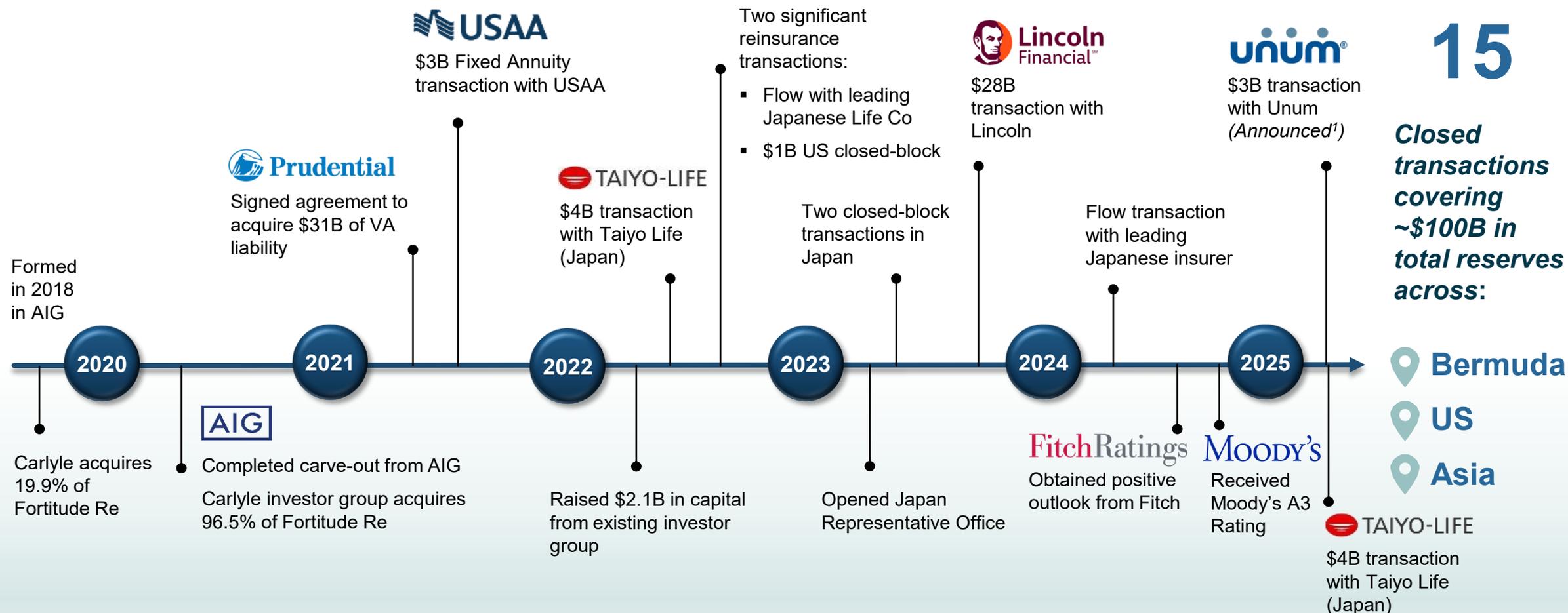
- Two active deals beginning 2023 and continuing today
- Annuity and life insurance, new business, reinsurance support



**Future Opportunities**

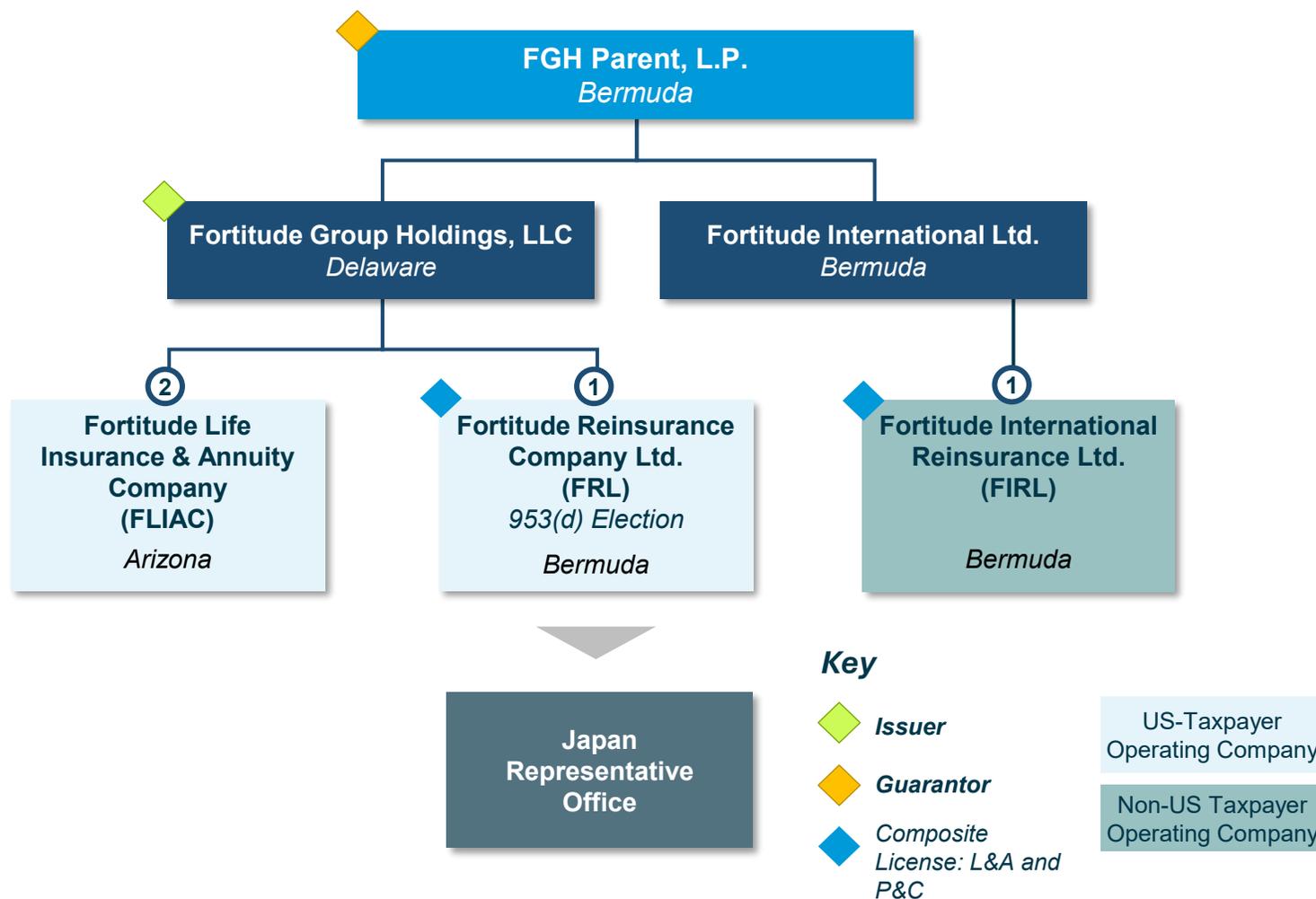
- Expect to establish funding agreement backed program (FABN) in 2025
- May opportunistically consider pension risk transfer, either direct or as a reinsurance partner

# Fortitude Re successfully executed on a growth strategy and built significant infrastructure to support continued expansion



1. Subject to regulatory approvals and satisfaction or waiver of other customary closing conditions

# Purpose-built corporate structure allows for transaction flexibility



①

Two Bermuda-domiciled composite reinsurers  
Differing US tax elections allow for tailored structuring solutions

②

US life company which primarily holds variable business, but provides flexibility for other opportunities

***We can underwrite liabilities in any jurisdiction and currency which provides a competitive advantage***

# Highly seasoned executive team has deep industry expertise and average 20+ years of experience



**Brian Schreiber**  
**Fortitude Re Chairman & Head of**  
**Carlyle Insurance Solutions**  
 Industry Experience: 25+ Years  
 Prior Experience: AIG, Bass Brothers,  
 Booz Allen



**Alon Neches**  
**Chief Executive Officer**  
 Industry Experience: 20+ Years  
 Prior Experience:  
 Carlyle, AIG, Federal Reserve



**Greta Hager**  
**Chief Financial Officer**  
 Industry Experience: 20 Years  
 Prior Experience: Mass Mutual, AIG,  
 Grant Thornton



**Jeff Mauro**  
**Chief Investment Officer**  
 Industry Experience: 15+ Years  
 Prior Experience: AIG, Macquarie



**Alan Stewart**  
**Group Treasurer**  
 Industry Experience: 25+ Years  
 Prior Experience: AIG, SunAmerica,  
 Deloitte



**Jeff Burman**  
**General Counsel**  
 Industry Experience: 20+ Years  
 Prior Experience: AIG,  
 Cadwalader



**Sean Coyle**  
**Chief Operating Officer**  
 Industry Experience: 20 Years  
 Prior Experience: AIG, ACE



**Denise Nichols**  
**Chief People Officer**  
 Industry Experience: 30+ Years  
 Prior Experience: Voya,  
 Marsh McLennan



**Kai Talarek**  
**Chief Growth &**  
**Optimization Officer**  
 Industry Experience: 20+ Years  
 Prior Experience: Oliver Wyman,  
 American Express

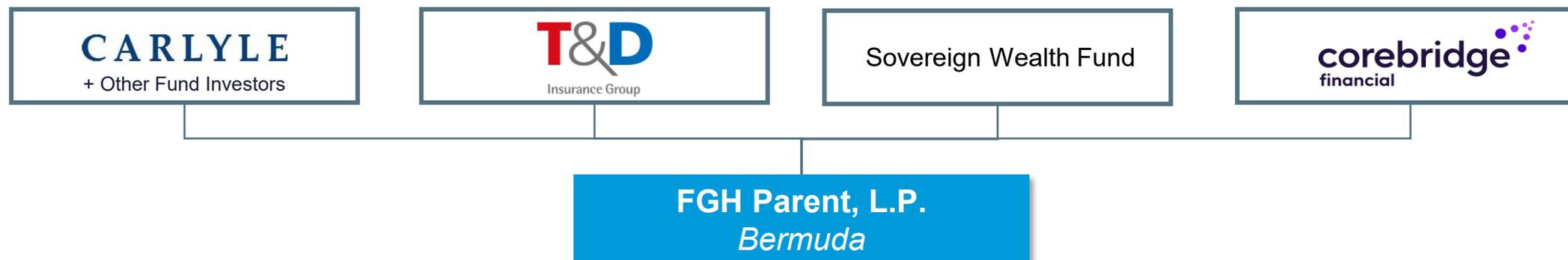


**James West**  
**Chief Actuary**  
 Industry Experience: 20 Years  
 Prior Experience: AIG, CNO



**Ming Zhang**  
**Chief Risk Officer**  
 Industry Experience: 15+ Years  
 Prior Experience: AIG, MetLife,  
 Sirius Point, Oliver Wyman

# Fortitude Re's investors are committed and sophisticated long-term owners



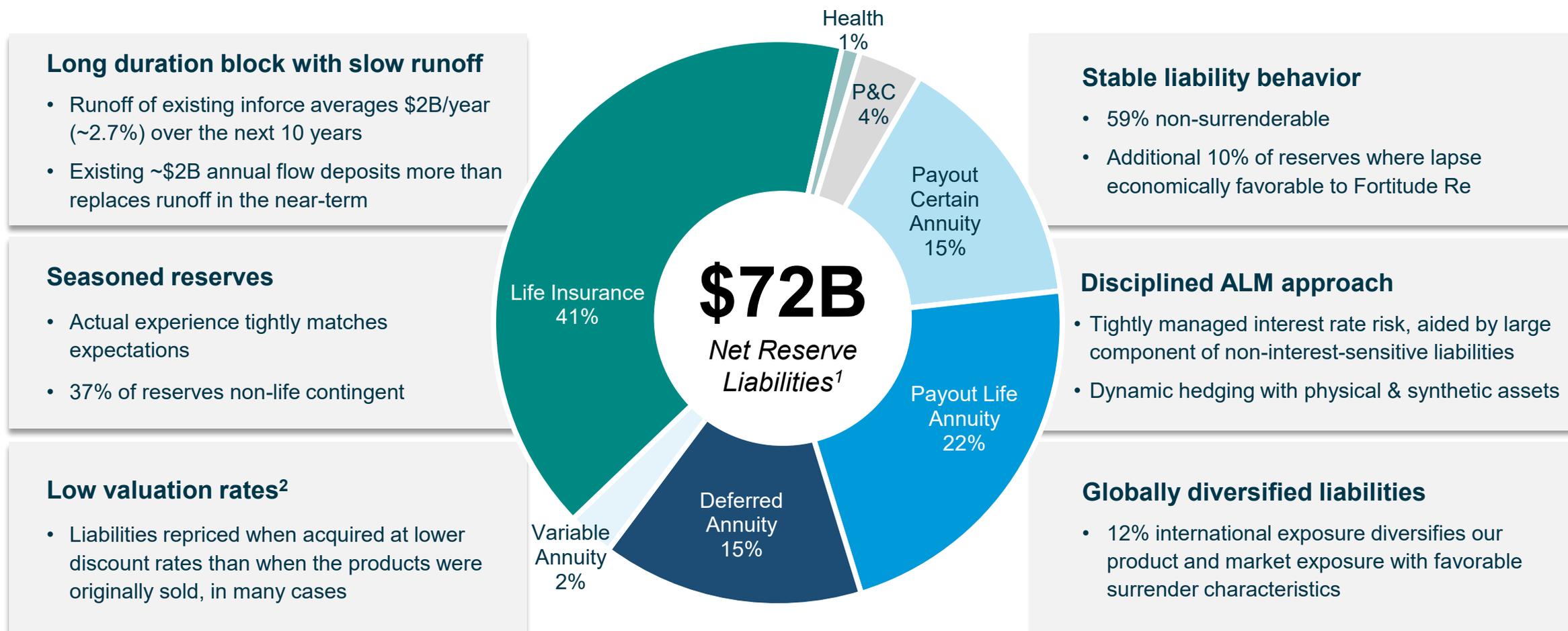
## Benefits of Carlyle Affiliation

- **Strategic Advice:** Growth strategy & implementation, investment portfolio & balance sheet optimization, capital raising & investor engagement
- **Investment Content:** Carlyle's insurance-focused investment capabilities and origination
- **Infrastructure & Operations:** Carve-out capabilities, operational & corporate function support

## Benefits of T&D Affiliation

- **Market Expertise:** Benefit from long history and knowledge of Japan market
- **Diversifying Business:** Reinsurance transactions with T&D group affiliates
- **Japan Network:** Connecting Fortitude with key market contacts; support establishing representative office

# Our liabilities are diversified and long-duration with low liquidity risk

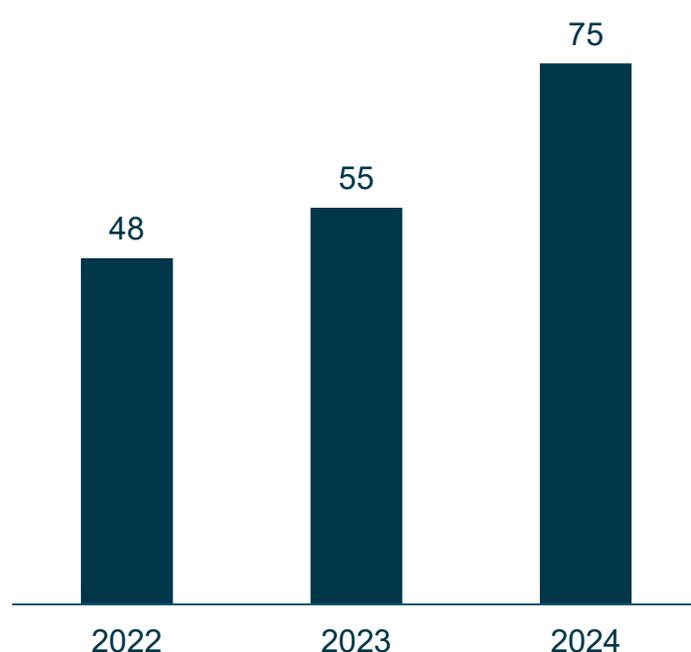


1. Based on net GAAP reserves as of December 31, 2024; excluding separate account liabilities and FLIAC ceded reserves. Health includes LTC, Cancer, and Disability products. Payout Certain Annuity covers fixed payments on Structured Settlements. Payout Life Annuity includes life-contingent payments on Structured Settlements, Pension Risk Transfer, SPIAs, and Supplemental Contracts. Deferred Annuity includes MYGAs and FIAs. Life Insurance includes Whole Life, ROP Term, UL, and SGUL.

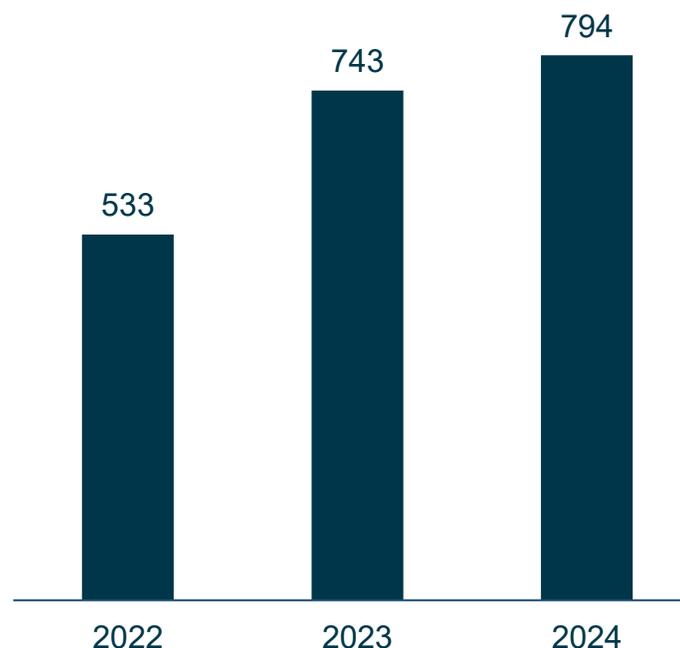
2. Under LDTI when implemented in 1Q 2025, current interest rates will be reflected in AOCI

# Strong asset growth has been complemented by sustained profitability

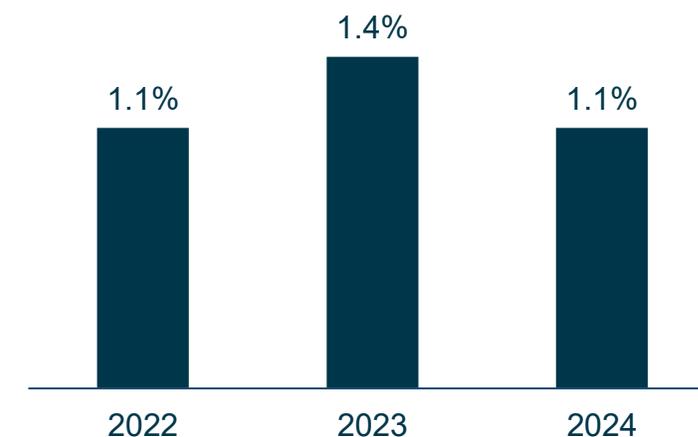
## Avg. Net Invested Assets<sup>1</sup> (\$B)



## Core Operating Earnings<sup>2</sup> (\$M)



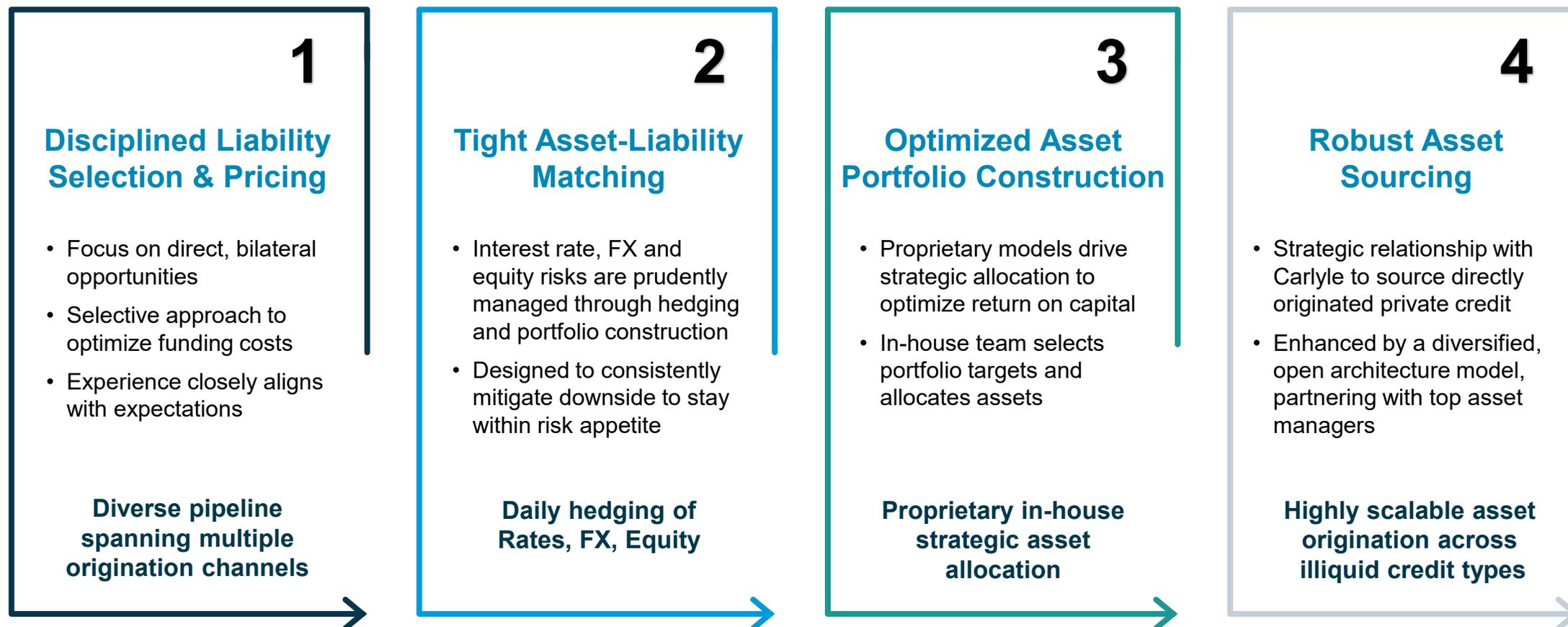
## Core Return on Assets<sup>3</sup>



1. Net Invested Assets, at carrying value, is defined as total investments per US GAAP plus cash and cash equivalents less investments, cash, and cash equivalents of fully ceded business units. Average net invested assets, at carrying value, is a trailing 5 quarter average.
2. Core Operating Earnings is a measure of the Company's profitability that adjusts net income (loss) to exclude non-recurring, or non-operational items, providing a clearer view of underlying business performance. It is calculated by adjusting for changes in the fair value of funds withheld, net investment gains or losses, variable annuity product features, gains or losses on Additional Insurance Liabilities ("AIL"), foreign exchange fluctuations, long-term incentive plan expenses, goodwill impairments, alternative investment performance variance to a 12% long-term target return, actuarial experience deviations and model updates, management fees or other related expenses. All adjustments are tax effected.
3. Core Return on Assets is defined as Core Operating Earnings (numerator) divided by Average Net Invested Assets, at Carrying Value (denominator).

**Note that further reconciliations of non-GAAP to GAAP metrics are provided in the Appendix.**

# Sustained profitability validates our investment philosophy: robust liability selection, ALM, portfolio construction, and asset sourcing



# Strategic relationship with Carlyle, complemented by open architecture approach facilitates access to industry-leading asset origination

## FORTITUDE<sup>RE</sup> Approach

*Asset allocation and ALM analytics are conducted in-house independently*

### Proprietary Carlyle Relationship

- Partnership with leading alternative asset manager provides access to differentiated investments tailored to optimize risk-adjusted return
- All mandates are independently allocated by Investments team and subject to rigorous review

18% AUM  
Carlyle

82% AUM  
Non-Carlyle

### Open Architecture Platform

- Diversified set of asset managers ensures consistent access to **attractive premium in multiple strategies**
- **Increasing scale** enables access to **competitive pricing / terms**
- Combining the best of Carlyle's and other managers' capabilities yields **differentiated return profiles**

### Number of Managers by Asset Class

Public Fixed Income  
(Including Structured Credit)

5

IG Private Credit

5

Commercial Mortgage Loans

3

Residential Mortgages

2

High Yield Private Credit

3

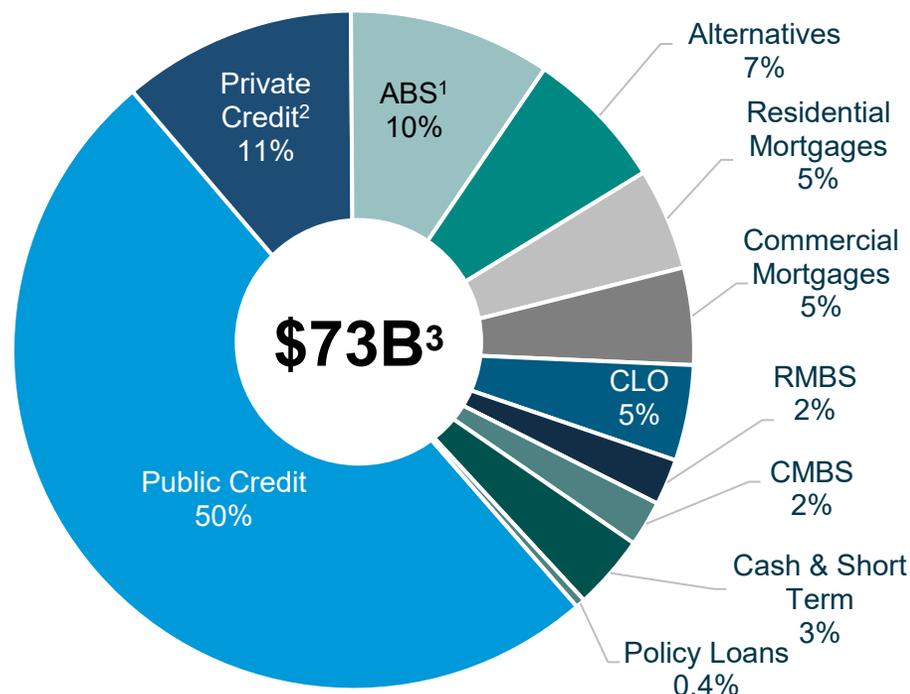
As of December 31, 2024

# Investment portfolio prioritizes spread enhancement from direct origination, illiquidity & structure over credit risk

## Optimized asset allocation with 93% Fixed Income

Weighted Average Duration:

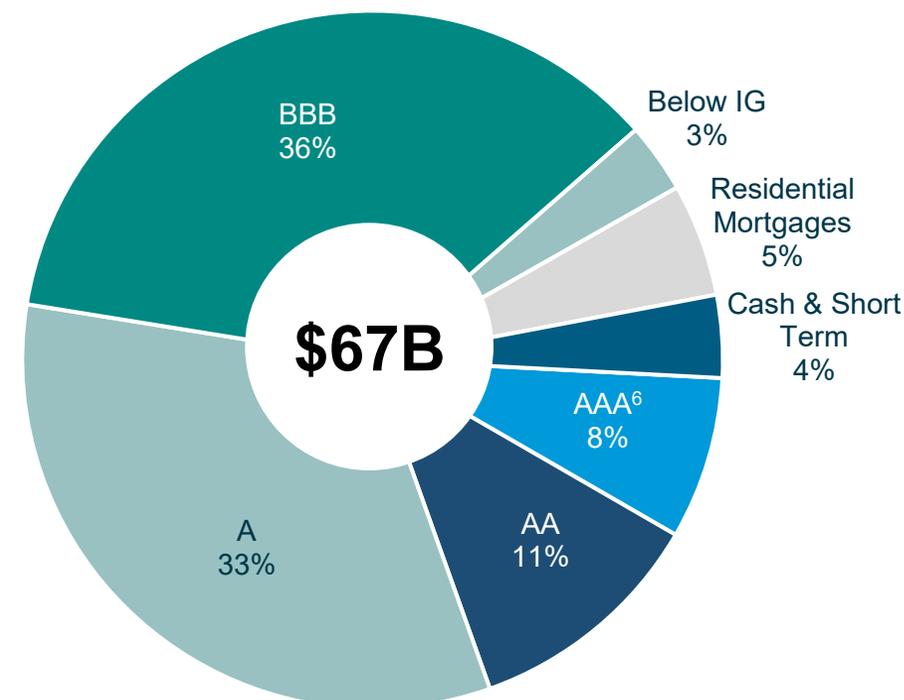
8.8<sup>4</sup> yrs



## High quality Fixed Income portfolio, 3% below IG<sup>5</sup>

Weighted Average Rating:

A-



1. Majority of ABS is private securitized assets (9% of total assets). Total private credit is ~ 20%
2. Private Credit consists of corporates, infrastructure, middle market direct lending. Structured privates are included in "ABS" category for this exhibit
3. Total excludes ceded business, accrued interest, derivatives, derivative collateral, broker payables and receivables. All data as of 4Q 2024
4. Excludes Alternatives, Cash & Short Term

5. Based on composite credit rating methodology. For strategically-purchased Pre-GFC Non-Agency RMBS, NAIC rating is used in lieu of ratings from agencies. Chart excludes Alternatives and Policy Loans. CML Ratings are mapped to S&P rating based on RBC Capital methodology (CM1 to A-, CM2 to BBB-, CM3 to BB-, etc.)
6. Includes \$2.1B US Government Debt

# Private Credit exposure is high quality and well diversified

## 4Q24 Private Credit Asset Allocation

Asset Class	Market Value (\$B)	MV/BV	% AUM	Avg Rating
Corporate	7.1	89%	9.8%	BBB+
Asset Backed Finance <sup>1</sup>	6.3	97%	8.6%	BBB+
Infrastructure	1.0	98%	1.3%	BBB
<b>Grand Total</b>	<b>14.3</b>	<b>93%</b>	<b>19.7%</b>	<b>BBB+</b>

- Asset backed finance portfolio is mostly investment grade and diversified across consumer and commercial collateral types
- Corporate exposure is primarily through traditional private placements
- Infrastructure debt provides diversification and has good structural protections

1. Includes ABS, loans, notes, and structured portions of infrastructure

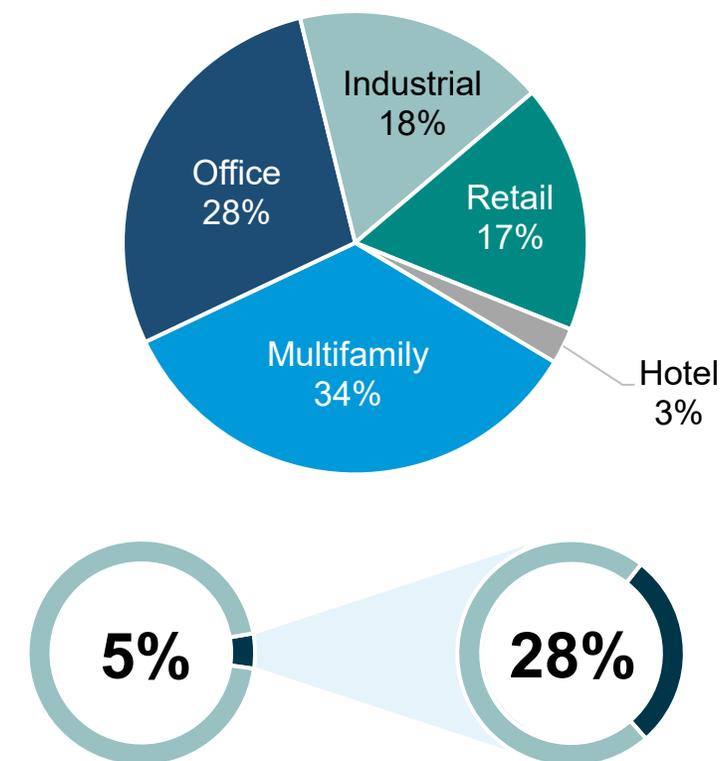
Note that all investment data excludes ceded business, accrued interest, derivatives, derivative collateral, broker payables and receivables in this presentation. All data as of 4Q 2024

# Real Estate portfolio is conservative with only 5% allocation to CML

## 4Q24 Real Estate Asset Allocation

Asset Class	Market Value (\$B)	MV/BV	% AUM	Avg Rating
Residential Mortgages	3.5	101%	4.9%	NR
Commercial Mortgages <sup>1</sup>	3.4	86%	4.6%	CM2
RMBS <sup>2</sup>	1.6	97%	2.2%	A
CMBS	1.6	93%	2.2%	AA-
Private Equity Real Estate	0.8	99%	1.0%	NR
REITS	0.6	92%	0.8%	BBB+
<b>Grand Total</b>	<b>11.4</b>	<b>94%</b>	<b>15.7%</b>	<b>A-</b>

## 4Q24 CML Property Type Exposure



**Overall low allocation to CML**

**Manageable office exposure within CML**

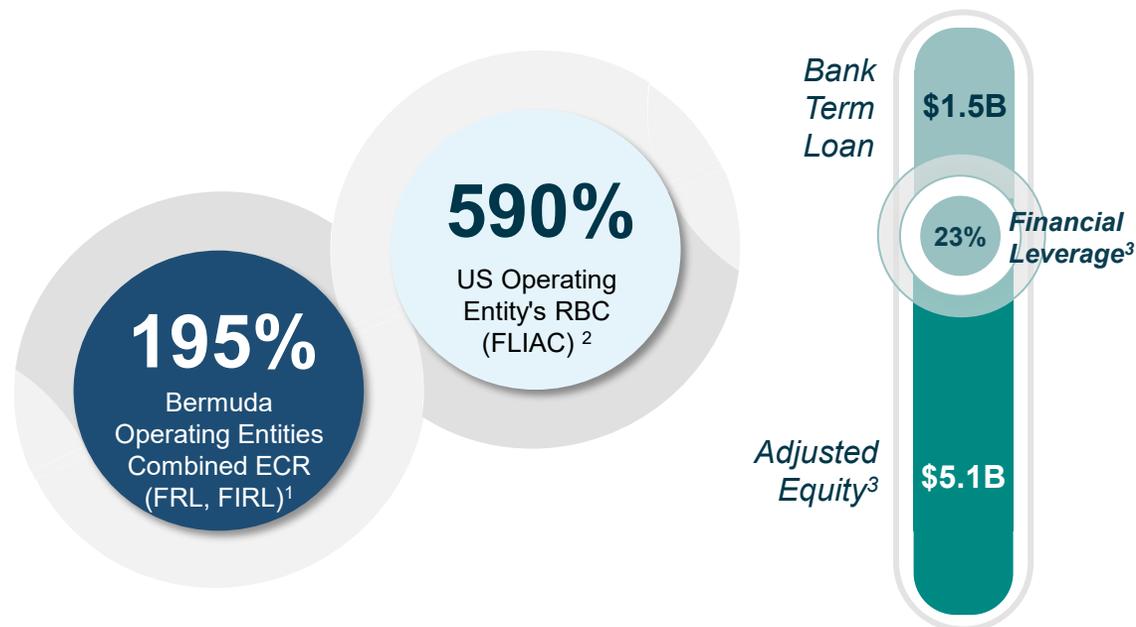
1. CML Ratings are mapped to S&P rating based on RBC Capital methodology (CM1 to A-, CM2 to BBB-, CM3 to BB-, etc.)

2. For strategically-purchased pre-GFC Non-Agency RMBS, NAIC rating is used in lieu of ratings from agencies. Market value of RMBS excludes ceded business portion of \$111M

Note that all investment data excludes ceded business, accrued interest, derivatives, derivative collateral, broker payables and receivables in this presentation. All data as of 4Q 2024

# Fortitude Re is well capitalized with significant available capital and liquidity

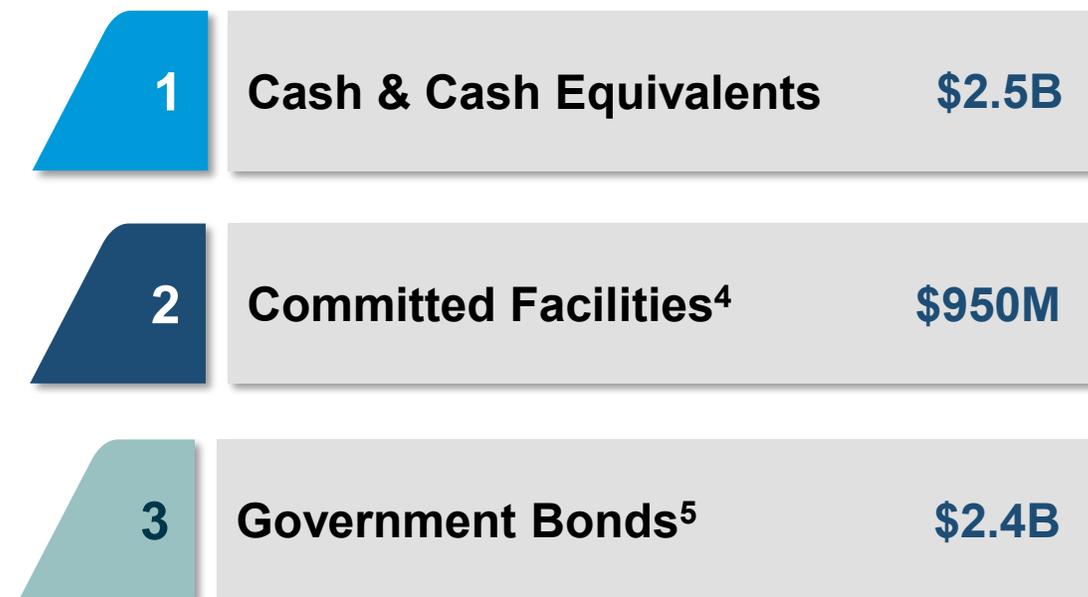
## Capital Ratios and Structure



Operating company capital ratios demonstrate consistent strength, well above internal and regulatory targets

1. Consolidated BMA capital ratio across Bermuda operating entities, as of September 30, 2024
2. US operating entity's NAIC RBC capital ratio (CAL basis) as of December 31, 2024
3. Financial Leverage as of December 31, 2024. Defined as total book value of total debt outstanding (numerator) divided by total capitalization (denominator) which is equal to total debt outstanding and Adjusted Equity.
4. Includes committed revolving credit facility and available committed repo capacity

## Liquidity Position



**4Q24 Total \$5.9B**

5. Excludes all Treasuries encumbered in initial margin (IM), variation margin (VM), or repo; includes bonds in trusts / Funds Withheld

# Prudent risk management is reflected in every facet of our business

## Industry-Leading Balance Sheet Diversification

- Diverse set of seasoned L&A and P&C liabilities
- Product – fixed annuity, variable annuity, protection, P&C, and others
- Geography – US and Asia
- Risk – longevity and mortality

## Robust Liability Valuation Process

- Robust quarterly and annual valuation process that includes multiple sources of traditional and non-traditional data inputs
- Multi-year track record of favorable liability performance
- Well-developed analytics and oversight of actuarial assumptions / valuations
- Periodic independent third-party validation of key assumptions

## Strong ALM & Investment Management

- Predictable cashflows; tightly matched with high quality illiquid assets
- Use of derivatives to match long-dated cashflows
- FX hedging of non-USD business
- Full economic hedging of riders and fees in VA for equities and interest rates

## Sound Governance & Risk Management

- Regular Board oversight with approved risk framework
- Dedicated model risk and operational risk functions
- Internal Audit is integrated into control infrastructure and relied upon by external auditors for oversight

# Comprehensive risk management infrastructure and robust stress testing framework ensure resilience in all market environments



## Risk Framework & Infrastructure

- Economic view of risk built into strategic planning at all levels
- Comprehensive stress scenarios & analytical framework
- Established processes for review & enhancement of critical risk areas
- Firm-wide culture on training, awareness & accountability



## Strong Governance by the Board & BMA

### Board of Directors

- Risk Appetite
- Stress Testing Framework
- Liquidity Management Standard
- Capital Plan
- Investment Plan

### BMA

- Financial Conditions Report
- Commercial Insurer's Solvency Self Assessment (CISSA)
- On-site regulatory exams covering operational, market & insurance risk factors



## Internal Stress Testing Framework

	Credit & Alternatives	Insurance Risks (e.g. Biometric, Casualty)	Hedged Market Risks (Rates, Public Equity, FX)
<b>Management Approach</b>	<ul style="list-style-type: none"> <li>• High quality portfolio selected by in-house Investments team</li> </ul>	<ul style="list-style-type: none"> <li>• Targeted insurance risks re-underwritten by Fortitude</li> </ul>	<ul style="list-style-type: none"> <li>• Daily monitoring &amp; hedging</li> </ul>
<b>Illustrative Stress Testing Approach</b>	<ul style="list-style-type: none"> <li>• Credit spreads + 200 bps</li> <li>• Alternatives return - 22%</li> <li>• Default &amp; Downgrades similar to or worse than GFC level</li> </ul>	<ul style="list-style-type: none"> <li>• 1-in-100 stress</li> </ul>	<ul style="list-style-type: none"> <li>• Liquidity stress parameters               <ul style="list-style-type: none"> <li>- Rates +/- 200bps</li> <li>- Public Equity +/- 30%</li> <li>- FX +/- 15%</li> </ul> </li> </ul>

**We provide customized and innovative solutions to achieve each client's goals; our capabilities and scale allow us to focus on high-value opportunities and be competitive globally**

**Strong Financial & Capital Position**

*Robust earnings with track record of growth; strong capital ratios and ratings*

**Deep Underwriting & Operational Capabilities**

*Successful execution of complex transactions across geographies*

**Diversified and Long-Duration Liability Portfolio**

*Slow runoff, low actuarial risk book with significant capital diversification benefit*

**Leading ALM & Open Architecture Asset Origination**

*Strong investment discipline, leveraging top managers in each asset class*

**Seasoned Management Backed by Sophisticated Long-Term Investors**

*Deep insurance expertise & patient capital for growth*





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