

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION

(A wholly-owned subsidiary of
New York Life Insurance Company)

STATUTORY FINANCIAL STATEMENTS

December 31, 2025, 2024 and 2023

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Report of Independent Auditors

To the Board of Directors of New York Life Insurance and Annuity Corporation

Opinions

We have audited the accompanying statutory financial statements of New York Life Insurance and Annuity Corporation (the "Company"), which comprise the statutory statements of financial position as of December 31, 2025 and 2024, and the related statutory statements of operations, of changes in capital and surplus, and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "financial statements").

Unmodified Opinion on Statutory Basis of Accounting

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in accordance with the accounting practices prescribed or permitted by the Delaware Department of Insurance described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Company as of December 31, 2025 and 2024, or the results of its operations or its cash flows for each of the three years in the period ended December 31, 2025.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 to the financial statements, the financial statements are prepared by the Company on the basis of the accounting practices prescribed or permitted by the Delaware Department of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the statutory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices prescribed or permitted by the Delaware Department of Insurance. Management is also responsible 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 the financial statements are available to be issued.

Auditors' 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 auditors' 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 US 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 US 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.

PricewaterhouseCoopers LLP

New York, New York
February 27, 2026

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
(A wholly-owned subsidiary of New York Life Insurance Company)

STATUTORY STATEMENTS OF FINANCIAL POSITION

| | December 31, | |
|---|----------------------|-------------------|
| | 2025 | 2024 |
| | (in millions) | |
| Assets | | |
| Bonds | \$ 108,092 | \$ 102,133 |
| Common and preferred stocks | 856 | 775 |
| Mortgage loans | 20,230 | 17,450 |
| Policy loans | 1,104 | 1,024 |
| Other invested assets | 5,304 | 3,930 |
| Cash, cash equivalents and short-term investments | 3,715 | 3,363 |
| Derivatives | 989 | 1,519 |
| Total cash and invested assets | 140,290 | 130,194 |
| Investment income due and accrued | 1,134 | 1,031 |
| Admitted disallowed interest maintenance reserve | 442 | 528 |
| Interest in annuity contracts | 12,355 | 11,428 |
| Other assets | 1,275 | 1,277 |
| Separate accounts assets | 67,972 | 60,358 |
| Total assets | \$ 223,469 | \$ 204,816 |
| Liabilities, capital and surplus | | |
| Liabilities: | | |
| Policy reserves | \$ 123,721 | \$ 117,165 |
| Deposit funds | 2,250 | 1,968 |
| Policy claims | 1,119 | 1,112 |
| Separate accounts transfers due and accrued | (1,380) | (1,288) |
| Obligations under structured settlement agreements | 12,355 | 11,428 |
| Amounts payable under security lending agreements | 1,003 | 1,004 |
| Other liabilities | 2,201 | 2,585 |
| Funds held under coinsurance | 3,368 | — |
| Asset valuation reserve | 2,264 | 2,086 |
| Separate accounts liabilities | 67,955 | 60,339 |
| Total liabilities | 214,857 | 196,399 |
| Capital and Surplus: | | |
| Capital stock - par value \$10,000 (20,000 shares authorized, 2,500 issued and outstanding) | 25 | 25 |
| Gross paid in and contributed surplus | 4,458 | 4,458 |
| Special surplus for admitted disallowed interest maintenance reserve | 442 | 528 |
| Unassigned surplus | 3,688 | 3,406 |
| Total capital and surplus | 8,612 | 8,417 |
| Total liabilities, capital and surplus | \$ 223,469 | \$ 204,816 |

See accompanying notes to financial statements.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
(A wholly-owned subsidiary of New York Life Insurance Company)

STATUTORY STATEMENTS OF OPERATIONS

| | Years Ended December 31, | | |
|--|---------------------------------|---------------|---------------|
| | 2025 | 2024 | 2023 |
| | (in millions) | | |
| Income | | | |
| Premiums | \$ 28,564 | \$ 22,044 | \$ 20,726 |
| Net investment income | 6,138 | 5,520 | 5,276 |
| Other income | 1,352 | 1,204 | 1,129 |
| Total income | 36,054 | 28,768 | 27,131 |
| Benefits and expenses | | | |
| Benefit payments: | | | |
| Death benefits | 2,336 | 2,263 | 2,275 |
| Annuity benefits | 3,974 | 4,006 | 3,664 |
| Surrender benefits | 19,498 | 17,393 | 16,019 |
| Other benefit payments | 158 | 125 | 103 |
| Total benefit payments | 25,966 | 23,787 | 22,061 |
| Additions to policy reserves | 6,609 | 4,223 | 3,334 |
| Net transfers to/(from) separate accounts | 767 | (1,614) | (648) |
| Adjustment in funds withheld | 88 | — | — |
| Operating expenses | 2,153 | 1,816 | 1,710 |
| Total benefits and expenses | 35,583 | 28,212 | 26,457 |
| Gain from operations before federal and foreign income taxes | 471 | 556 | 673 |
| Federal and foreign income taxes | 230 | 210 | 268 |
| Net gain from operations | 241 | 346 | 405 |
| Net realized capital gains/(losses), after taxes and transfers to interest maintenance reserve | 126 | (71) | 188 |
| Net income | \$ 367 | \$ 275 | \$ 593 |

See accompanying notes to financial statements.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
(A wholly-owned subsidiary of New York Life Insurance Company)

STATUTORY STATEMENTS OF CHANGES IN CAPITAL AND SURPLUS

| | Years Ended December 31, | | |
|--|---------------------------------|-----------------|-----------------|
| | 2025 | 2024 | 2023 |
| | (in millions) | | |
| Capital and surplus, beginning of year | \$ 8,417 | \$ 8,930 | \$ 8,537 |
| Net increase/(decrease) due to: | | | |
| Net income | 367 | 275 | 593 |
| Change in net unrealized capital (losses)/gains on investments | (118) | 157 | (268) |
| Change in nonadmitted assets | (103) | (264) | (89) |
| Change in reserve valuation basis | 51 | 183 | 31 |
| Change in asset valuation reserve | (178) | (147) | (49) |
| Change in net deferred income tax | 184 | 167 | 189 |
| Dividends to parent | — | (890) | — |
| Other adjustments, net | (8) | 6 | (14) |
| Net increase/(decrease) | 195 | (513) | 393 |
| Capital and surplus, end of year | \$ 8,612 | \$ 8,417 | \$ 8,930 |

See accompanying notes to financial statements.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
(A wholly-owned subsidiary of New York Life Insurance Company)

STATUTORY STATEMENTS OF CASH FLOWS

| | Years Ended December 31, | | |
|--|---------------------------------|-----------------|-----------------|
| | 2025 | 2024 | 2023 |
| | (in millions) | | |
| Cash flows from operating activities: | | | |
| Premiums received | \$ 26,641 | \$ 18,059 | \$ 16,730 |
| Net investment income received | 5,784 | 5,102 | 4,878 |
| Other | 1,269 | 1,204 | 1,130 |
| Total received | <u>33,695</u> | <u>24,364</u> | <u>22,738</u> |
| Benefits and other payments | 20,845 | 19,657 | 18,054 |
| Net transfers to/(from) separate accounts | 858 | (1,574) | (635) |
| Operating expenses | 1,920 | 1,769 | 1,548 |
| Federal income taxes | 219 | 234 | 235 |
| Total paid | <u>23,842</u> | <u>20,085</u> | <u>19,202</u> |
| Net cash from operating activities | <u>9,853</u> | <u>4,279</u> | <u>3,536</u> |
| Cash flows from investing activities: | | | |
| Proceeds from investments sold | 12,864 | 8,233 | 4,331 |
| Proceeds from investments matured or repaid | 17,639 | 15,028 | 9,850 |
| Cost of investments acquired | (40,306) | (25,514) | (21,917) |
| Net change in policy loans | (74) | (97) | (66) |
| Net cash used in investing activities | <u>(9,877)</u> | <u>(2,350)</u> | <u>(7,802)</u> |
| Cash flows from financing and miscellaneous activities: | | | |
| Dividends to parent | — | (890) | — |
| Other miscellaneous uses | 376 | 627 | (438) |
| Net cash from/(used in) financing and miscellaneous activities | <u>376</u> | <u>(263)</u> | <u>(438)</u> |
| Net increase/(decrease) in cash, cash equivalents and short-term investments | 352 | 1,666 | (4,704) |
| Cash, cash equivalents and short-term investments, beginning of year | 3,363 | 1,697 | 6,401 |
| Cash, cash equivalents and short-term investments, end of year | <u>\$ 3,715</u> | <u>\$ 3,363</u> | <u>\$ 1,697</u> |

See accompanying notes to financial statements.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
(A wholly-owned subsidiary of New York Life Insurance Company)

STATUTORY STATEMENTS OF CASH FLOWS (supplemental)

| | Years Ended December 31, | | |
|--|---------------------------------|-------------|-------------|
| | 2025 | 2024 | 2023 |
| | (in millions) | | |
| Non-cash activities during the year not included in the Statutory Statements of Cash Flows: | | | |
| Transfer of bond investment to bond investment | \$ 1,427 | \$ 914 | \$ 556 |
| Transfer of assets between bond investment and other invested assets | \$ 442 | \$ 25 | \$ 23 |
| Capitalized interest on bonds and mortgage loans | \$ 72 | \$ 79 | \$ 76 |
| Depreciation/amortization on fixed assets | \$ 112 | \$ 91 | \$ 92 |
| Low-income housing tax credit future commitments | \$ 38 | \$ 43 | \$ 10 |
| Transfer of mortgage loans to other invested assets | \$ 134 | \$ 31 | \$ 3 |
| Transfers between equity investment and equity investment | \$ 63 | \$ 6 | \$ 40 |
| Funds Withheld relating to Reinsurance transactions | \$ 3,146 | \$ — | \$ — |

See accompanying notes to financial statements.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS
December 31, 2025, 2024 and 2023

NOTE 1 - NATURE OF OPERATIONS

New York Life Insurance and Annuity Corporation (“the Company”), domiciled in the State of Delaware, is a direct, wholly-owned subsidiary of New York Life Insurance Company (“New York Life”). The Company’s primary business operations are its life and annuity business and its investment management activities. The Company offers a wide variety of interest sensitive and variable life insurance and annuity products to a large cross section of the insurance market. The Company markets its products in all 50 states of the United States of America and the District of Columbia, primarily through New York Life’s career agency force, with certain products also marketed through independent brokers, brokerage general agents and banks.

NOTE 2 - BASIS OF PRESENTATION

The accompanying financial statements have been prepared using accounting practices prescribed or permitted by the Delaware State Insurance Department (“the Department” or “statutory accounting practices”), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The Department recognizes only statutory accounting practices prescribed or permitted by the State of Delaware for determining and reporting the financial position and results of operations of an insurance company and for determining its solvency under the Delaware State Insurance Law. The National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures Manual (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the State of Delaware. Prescribed statutory accounting practices include state laws and regulations. Permitted statutory accounting practices encompass accounting practices that are not prescribed; such practices differ from state to state, may differ from company to company within a state, and may change in the future. The Company has no permitted practices.

Changes in Accounting Policy

On September 30, 2024, the Company changed its accounting policy on the reporting of premiums and benefits on internal replacement transactions. Internal replacements refer to transactions whereby a policyholder transfers the cash surrender value from their current policy into a similar policy. Premiums and benefits from these types of exchanges are now reported gross in the statement of operations. Our previous policy, which was discussed with the Department and to which they had no objection, was to net the benefit expense against the premium income in the statement of operations. Premium income and benefit expense include \$4,011 million and \$3,982 million from internal replacements for 2024 and 2023, respectively. The Company's annual statement does not reflect this change in the 2024 and 2023 reported premium and benefit amounts. Therefore, premium and benefit for 2024 and 2023 are understated in the Company's annual statement by \$4,011 million and \$3,982 million, respectively. This change in accounting policy has no net impact on the Company's profit or loss, nor does it affect surplus, as the gross reporting of premiums and benefits is offset by corresponding amounts in both income and expense.

Change in Reserve Valuation Basis

In 2025, the Department granted approval for the Company to change the reserve valuation basis for fixed deferred annuities to the Standard Valuation Law (“SVL”). Prior to this change, reserves for fixed deferred annuities with market value adjustments were computed in accordance with the minimum statutory reserve standard under the New York State Department of Financial Services (“NYSDFS”) Regulation 127, which required the use of Plan Type C valuation rates. Under the SVL, which is the Delaware minimum reserve standard, these contracts are valued using Plan Type B rates. At December 31, 2025, the impact of this change in reserve valuation basis resulted in a reduction in policy reserves and a corresponding increase in statutory surplus of \$51 million.

For the year ended December 31, 2024, the Department granted approval for the Company to change the reserve valuation basis for variable deferred annuities to Section 21 of the NAIC Valuation Manual (“VM-21”). Prior to this change, reserves for these policies were computed in accordance with the minimum statutory reserve standard

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 2 - BASIS OF PRESENTATION (continued)

required under NYSDFS Regulation 213, which results in reserves that are higher than those computed pursuant to VM-21, which is the Delaware minimum reserve standard. For the index-linked account corresponding to a variable annuity product, the Company still applies Actuarial Guideline XXXV. At December 31, 2024, the impact of this change in reserve valuation basis resulted in a reduction of policy reserves of \$47 million and an increase in expense allowances recognized in reserves (included in Separate Accounts transfers due and accrued) of \$136 million, thereby increasing statutory surplus by \$183 million.

Statutory vs. U.S. GAAP Basis of Accounting

Financial statements prepared under NAIC SAP as determined under Delaware State Insurance Law vary from those prepared under U.S. GAAP. The effects of those differences are material to the Company's financial statements. The primary differences that would most likely be material are as follows:

Investments

- debt securities must meet a principles-based bond definition ("PBBD") in order to be reported as bonds under SAP, whereas a PBBD does not exist under GAAP.
- investments in bonds are generally carried at amortized cost or values as prescribed by the Department. Investments in debt securities that do not meet the PBBD are generally reported at the lower of cost or market. Under U.S. GAAP, investments in bonds that are classified as available for sale or trading are carried at fair value, with changes in fair value of bonds classified as available for sale reflected in equity, and changes in fair value of bonds classified as trading reflected in earnings;
- investments in noncontrolled partnerships and limited liability companies are accounted for under the equity method for both NAIC SAP and U.S. GAAP. Under the statutory equity method, undistributed income and capital gains and losses for these investments are reported in surplus as unrealized gains or losses, whereas under U.S. GAAP, in many cases, for investment companies, unrealized gains and losses are included in net investment income;
- credit loss-related bond impairments that are deemed to be other than temporary are recorded as a direct write-down to the security without the ability to reverse those losses in the future if expected cash flows increase. Under U.S. GAAP, estimated credit losses on bonds classified as available for sale are recorded through an allowance for credit losses subject to future reversals if expected cash flows increase;
- specific valuation allowances are established for the excess carrying value of a mortgage loan over the estimated fair value of the collateral as an unrealized loss in surplus when it is probable that based on current information and events, the Company will be unable to collect amounts due under the contractual terms of the loan agreement. Under U.S. GAAP, a valuation allowance is established for expected credit losses. The valuation allowance under U.S. GAAP is based on historical experience, current economic conditions and reasonable and supportable forecasts;
- realized gains and losses resulting from changes in interest rates are deferred in the interest maintenance reserve ("IMR") and amortized into investment income over the remaining life of the investment sold, whereas under U.S. GAAP, the gains and losses are recognized in income at the time of sale;
- certain derivative instruments are carried at amortized cost, whereas under U.S. GAAP, all derivative instruments are carried at fair value;

Insurance Contracts

- contracts that have any mortality or morbidity risk, regardless of significance, and contracts with life contingent annuity purchase rate guarantees are classified as insurance contracts, whereas under U.S. GAAP, only contracts

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 2 - BASIS OF PRESENTATION (continued)

that have significant mortality or morbidity risk are classified as insurance contracts otherwise they are accounted for in a manner consistent with the accounting for interest bearing or other financial instruments;

- payments received for universal and variable life insurance products, certain variable and fixed deferred annuities and group annuity contracts are reported as premium income and corresponding change in reserves, whereas U.S. GAAP would treat these payments as deposits to policyholders' account balances;
- the costs related to acquiring insurance contracts (principally commissions), policy issue expenses and sales inducements are charged to income in the period incurred, whereas under U.S. GAAP, these costs are deferred when related directly to successful sales and amortized over the periods benefited;
- life insurance and annuity reserves are based on different statutory methods and assumptions than they are under U.S. GAAP;
- reinsurance agreements are accounted for as reinsurance on an NAIC SAP and U.S. GAAP basis if certain risk transfer provisions have been met. NAIC SAP requires the reinsurer to assume insurance risk, regardless of the significance of the loss potential, whereas U.S. GAAP requires that there is a reasonable possibility that the reinsurer may realize significant loss from assuming insurance risk; assets and liabilities from reinsurance transactions are reported net of reinsurance, whereas under U.S. GAAP, assets and liabilities from reinsurance transactions are reported gross of reinsurance;

Taxes

- deferred income taxes exclude state income taxes and are admitted to the extent they can be realized within three years subject to a 15% limitation of capital and surplus with changes in the net deferred tax reflected as a component of surplus, whereas under U.S. GAAP, deferred income taxes include federal and state income taxes and changes in deferred taxes are reflected in either earnings or other comprehensive income;
- a tax loss contingency is required to be established if it is more likely than not that a tax position will not be sustained upon examination by taxing authorities. If a loss contingency is greater than 50% of the tax benefit associated with a tax position, the loss contingency is increased to 100%, whereas under U.S. GAAP the amount of the benefit for any uncertain tax position is the largest amount that is greater than 50% likely of being realized upon settlement;

Surplus

- an asset valuation reserve ("AVR") based on a formula prescribed by the NAIC is established as a liability to offset potential non-interest related investment losses. Changes in the AVR are recorded directly to surplus, whereas under U.S. GAAP, no AVR is recognized;
- certain assets, such as deferred taxes as noted above, intangible assets, furniture and equipment, and unsecured receivables are considered nonadmitted and excluded from assets, whereas they are included in assets under U.S. GAAP subject to a valuation allowance, as appropriate.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Management is also required to disclose contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from those estimates.

Bonds

Bonds that meet the PBBD are stated at amortized cost using the interest method. Bonds in or near default (rated NAIC 6) are stated at the lower of amortized cost or fair value. The Company reviews all debt securities to determine if they meet the PBBD criteria to be reported as Schedule D bonds. The review includes confirming that the debt instrument represents a creditor relationship with a fixed payment schedule for one or more future payments and where any non-debt variables are nominal. For all ABS, the Company confirms that credit enhancement to our tranches is substantive from either subordination or overcollateralization. For ABS backed by cash-generating non-financial assets, the Company also confirms that cash flows produced by the collateral are meaningful as defined in SSAP No. 26 "Bonds". Residual interests in securitizations are reported as other invested assets using the cost recovery method. Refer to Note 9 - Fair Value Measurements for discussion on the valuation approach and methods for bonds.

Under NAIC SAP, Securities Valuation Office ("SVO")-identified investments, which include certain SVO approved exchange traded funds ("ETFs") and mutual funds, are eligible for classification as bonds as identified in the SVO's Purposes and Procedures Manual. SVO-identified bond ETFs are stated at fair value.

The interest method for asset-backed securities, which are included in bonds, uses current assumptions of projected cash flows. Amortization of premium or accretion of discount from the purchase of these securities considers the estimated timing and amount of cash flows of the underlying loans, including prepayment assumptions based on data obtained from external sources or internal estimates. Projected future cash flows are updated monthly, and the amortized cost and effective yield of the securities are adjusted as necessary to reflect historical prepayment experience and changes in estimated future prepayments. For high credit quality asset-backed securities backed by the U.S. government (those rated AA or above at the date of acquisition), the adjustments to amortized cost are recorded as a charge or credit to net investment income in accordance with the retrospective method. For all other securities, including all asset-backed securities that are not of high credit quality (those rated below AA at date of acquisition), floating rate securities and securities with the potential for a loss of a portion of the original investment due to contractual prepayments (e.g., interest only securities), the effective yield is adjusted prospectively for any changes in estimated cash flows.

All acquisitions of securities are recorded in the financial statements on a trade date basis except for the acquisitions of private placement bonds, which are recorded on the funding date.

Preferred Stocks

Redeemable preferred stocks in "good standing" (NAIC designation of 1 to 3) are valued at amortized cost. Redeemable preferred stocks "not in good standing" (NAIC designation of 4 to 6) are valued at the lower of amortized cost or fair value. Perpetual preferred stock and mandatory convertible preferred stock are valued at fair value, not to exceed any currently effective call price. Refer to Note 9 - Fair Value Measurements for discussion on the valuation approach and methods for preferred stocks.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Common Stocks

Common stocks include the Company's investments in unaffiliated stocks, which includes investments in shares of investment funds registered with the U.S. Securities and Exchange Commission ("SEC"), as well as regulated foreign open-end investment funds, which are carried at fair value. Unrealized gains and losses are reflected in surplus, net of deferred taxes. Refer to Note 9 - Fair Value Measurements for a discussion on the valuation approach and methods for common stocks.

Other than Temporary Impairments

The cost basis of bonds and equity securities is adjusted for impairments in value that are deemed to be other than temporary. An other-than-temporary loss is recognized in net income when it is anticipated that the amortized cost will not be recovered. Factors considered in evaluating whether a decline in value is other than temporary include: (1) whether the decline is substantial; (2) the duration that the fair value has been less than cost; (3) the financial condition and near-term prospects of the issuer; and (4) the Company's ability and intent to retain the investment for a period of time sufficient to allow for an anticipated recovery in value.

When a bond (other than asset-backed securities), preferred stock or common stock is deemed other-than-temporarily impaired, the difference between the investment's amortized cost and its fair value is recognized as a realized loss and reported in net income if the loss is credit related, or deferred in the IMR if interest related for bonds.

For asset-backed securities, the entire difference between the security's amortized cost and its fair value is recognized in net income only when the Company (a) has the intent to sell the security or (b) it does not have the intent and ability to hold the security to recovery. If neither of these two conditions exists, a realized loss is recognized in net income for the difference between the amortized cost basis of the security and the net present value of projected future cash flows expected to be collected. The net present value is calculated by discounting the Company's best estimate of projected future cash flows at the effective interest rate implicit in the asset-backed security prior to impairment.

The determination of cash flow estimates in the net present value calculation is subjective and methodologies will vary, depending on the type of security. The Company considers all information relevant to the collectability of the security, including past events, current conditions, and reasonably supportable assumptions and forecasts in developing the estimate of cash flows expected to be collected. This information generally includes, but may not be limited to, the remaining payment terms of the security, estimated prepayment speeds, defaults, recoveries upon liquidation of the underlying collateral securing the notes, the financial condition of the issuer(s), credit enhancements and other third-party guarantees. In addition, other information, such as industry analyst reports and forecasts, sector credit ratings, the financial condition of the bond insurer for insured fixed income securities and other market data relevant to the collectability may also be considered, as well as the expected timing of the receipt of insured payments, if any. The estimated fair value of the collateral may be used to estimate recovery value if the Company determines that the security is dependent on the liquidation of the collateral for recovery.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)

The new cost basis of an impaired security is not adjusted for subsequent increases in estimated fair value. In periods subsequent to the recognition of an other-than-temporary impairment ("OTTI"), the impaired bond security is accounted for as if it had been purchased on the measurement date of the impairment. Accordingly, the discount (or reduced premium) based on the new cost basis may be accreted (or amortized) into net investment income in future periods based on prospective changes in cash flow estimates, to reflect adjustments to the effective yield.

Mortgage Loans

Mortgage loans on real estate are carried at unpaid principal balances, net of discounts, premiums, deferred origination fees related to points, and specific valuation allowances, and are collateralized. Mortgage loans include residential mortgage loans held through a qualifying statutory trust as long as the trust meets the required criteria for look-through reporting stipulated in statutory accounting guidance. Specific valuation allowances are established for the excess carrying value of the mortgage loan over the estimated fair value of the collateral as an unrealized loss in surplus when it is probable that based on current information and events, the Company will be unable to collect amounts due under the contractual terms of the loan agreement. Fair value of the collateral is estimated by performing an internal or external current appraisal or by obtaining broker prices for residential mortgage loans. If impairment is deemed to be other-than-temporary, which can include a loan modification that qualifies as a troubled debt restructuring ("TDR"), a direct write-down is recognized as a realized loss reported in net income, and a new cost basis for the individual mortgage loan, which is equal to the fair value of the collateral, less costs to obtain and sell, is established. Refer to Note 9 - Fair Value Measurements for a discussion of the valuation approach and methods for mortgage loans.

The Company accrues interest income on mortgage loans to the extent it is deemed collectible. The Company places loans on non-accrual status and ceases to recognize interest income when management determines that the collection of interest and repayment of principal is not probable. Any accrued but uncollected interest is reversed out of interest income once a loan is put on non-accrual status. Interest payments received on mortgage loans where interest payments have been deemed uncollectible are recognized on a cash basis and recorded as interest income. If a determination is made that the principal will not be collected, the interest payment received is used to reduce the principal balance. If a mortgage loan has any investment income due and accrued that is 90 days past due and collectible, the investment income will continue to accrue but all accrued interest related to the mortgage loan is reported as a nonadmitted asset, until such time that it has been paid or is deemed uncollectible.

Policy Loans

Policy loans are stated at the aggregate balance due. The excess of the unpaid balance of a policy loan that exceeds the cash surrender value is nonadmitted.

Other Invested Assets

Investments in limited partnerships and limited liability companies, including equity investments in affiliated entities organized as limited liability companies, which have admissible audits are carried at the underlying audited equity of the investee. In the absence of an admissible audit, the entire investment is nonadmitted. The financial statements of equity method investees are usually not received in time for the Company to apply the equity method at each reporting period. Therefore, the equity pick-up on these investments has been recorded on a one to three-month lag.

The cost basis of limited partnerships and limited liability companies is adjusted for impairments in value deemed to be other-than-temporary, with the difference between cost and carrying value, which approximates fair value, recognized as a realized loss reported in net income. The new cost basis of an impaired limited partnership or limited liability company is not adjusted for subsequent increases in the underlying audited equity of the investee.

Dividends and distributions from limited partnerships and limited liability companies, other than those deemed a return of capital, are recorded in net investment income. Undistributed earnings are included in unrealized gains and losses and are reflected in surplus, net of deferred taxes.

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NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in tax credit structures, including Low Income Housing Tax Credit ("LIHTC") LLCs, wind energy LLCs and New Market Tax Credit ("NMTC") LLCs, which are included in other invested assets, are recorded at proportional amortized cost and include remaining unfunded commitments. The carrying value of the investment is amortized into income in proportion to the actual and projected future amounts of tax credits and deductible losses. The amortization is recorded through net investment income.

Effective October 1, 2024, residual tranches of securitizations are reported using a cost recovery method, which is a practical expedient allowed under statutory accounting rules. Under the cost recovery method, distributions received are treated as a reduction of the residual's book value. Investment income is not recognized until the book value of the residual has been reduced to zero. An OTTI is recorded when fair value of the residual is below its book value. Prior to October 1, 2024, most residuals were reported at the lower of cost or market and income was accrued using an effective yield method.

The Company invests in surplus notes issued by insurance companies as well as capital notes. Capital notes are usually issued by banks for regulatory capital purposes. Capital notes that are reported as other invested assets allow for interest cancellation in the event of financial stress without triggering an event of default. Surplus and capital notes with an NAIC 1 or NAIC 2 designation are reported at amortized cost. All other surplus and capital notes are reported at the lower of cost or market with unrealized losses reported in surplus. Surplus notes are non admitted if they are issued by an insurer that is subject to an order of liquidation, conservation, rehabilitation or a risk-based capital company action level event. Capital notes are non-admitted if the borrower's regulatory authority halts principal or interest payments. An OTTI is recorded for surplus and capital notes when it is probable that the Company will not be able to collect all contractual cash flows under the note.

Debt securities that do not meet the PBBD are reported in other invested assets at the lower of cost or market, with unrealized losses reported in surplus. These bonds follow the same rules for amortization and OTTI as asset backed securities. Asset-backed securities that do not meet the PBBD are admitted only to the extent that their underlying collateral meets the definition of an admitted asset under statutory accounting.

Real Estate

Real estate includes properties that are directly-owned and real estate property investments that are directly and wholly-owned through a limited liability company and meet certain criteria. Real estate held for the production of income is stated at cost less accumulated depreciation and encumbrances. Real estate held for sale is stated at the lower of cost less accumulated depreciation or fair value, less encumbrances and estimated costs to sell. If there is an indication that the carrying amount of the real estate may not be recoverable, then it must be tested for impairment. If the carrying amount of a real estate investment exceeds its undiscounted cash flows, an OTTI is recorded as a realized loss in net income, calculated as the difference between the carrying amount of the real estate investment and the fair value of the real estate investment. Depreciation of real estate held for the production of income is calculated using the straight-line method over the estimated lives of the assets, generally 40 years. Costs of permanent improvements are depreciated over the shorter of their estimated useful life, or the remaining estimated life of the real estate. Rental revenue from leased real estate is recognized on a straight-line basis over the lease term.

Derivative Instruments

Derivative instruments that qualify and are designated for hedge accounting are valued in a manner consistent with the items being hedged. Periodic payments and receipts on these derivatives are recorded on an accrual basis within net investment income for hedges of fixed income securities, and within other income for hedges of liabilities. Net realized gains and losses are recognized upon termination or maturity of these contracts in a manner consistent with the hedged item and when subject to the IMR, are transferred to the IMR, net of taxes.

To qualify for hedge accounting, the hedge relationship is designated and formally documented at inception, which means any time prior to the first quarterly hedge effectiveness assessment date, by detailing the particular risk, management objective and strategy for the hedge. This includes the item and risk that is being hedged, the derivative that is being used, as well as how effectiveness is being assessed. A derivative must be highly effective in

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)

accomplishing the objective of offsetting either changes in fair value or cash flows for the risk being hedged. The hedging relationship is considered highly effective if the changes in fair value or cash flows of the hedging instrument are within 80% to 125% of the inverse changes in the fair value or cash flows of the hedged item. For foreign currency swaps used under a fair value hedge designation, the Company excludes the cross-currency basis spread in its calculation of effectiveness as allowed under statutory accounting guidance. The Company formally assesses effectiveness of its hedging relationships both at the hedge inception and on a quarterly basis over the life of the hedge relationship in accordance with its risk management policy. The Company assesses hedge effectiveness qualitatively on a quarterly basis if (1) the initial quantitative prospective assessment demonstrates that the relationship is expected to be highly effective and (2) at inception, the Company is able to reasonably support an expectation of high effectiveness on a qualitative basis in subsequent periods. The Company continually assesses the credit standing of the derivative counterparty and, if the counterparty is deemed to be no longer creditworthy, the hedge relationship will no longer be considered effective.

The Company discontinues hedge accounting prospectively if: (1) it is determined that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item; (2) the derivative expired or is sold, terminated, or exercised; (3) it is probable that the forecasted transaction will not occur, or (4) management determines that designation of the derivative as a hedge instrument is no longer appropriate.

Derivative instruments that do not qualify or are not designated for hedge accounting are carried at fair value and changes in fair value are recorded in surplus as unrealized gains and losses, net of deferred taxes. Periodic payments and receipts on these derivatives are recorded on an accrual basis within net investment income for hedges of fixed income securities and within other income for hedges of liabilities. Upon termination or maturity, the gains or losses on these contracts are recognized in net realized capital gains and losses, net of taxes. Realized gains or losses on terminated or matured derivatives, which are subject to the IMR, are transferred to the IMR, net of taxes.

The Company also uses derivatives as part of replication transactions. Replication transactions refer to derivative transactions entered into in conjunction with other investments in order to reproduce the investment characteristics of otherwise permissible investments. The accounting for derivatives used in replication transactions depends upon how the underlying cash instrument is accounted for, as well as how the replicated asset would be accounted for if acquired directly; alternatively, the Company can elect to carry the derivative at fair value. The Company uses bonds as the referenced cash instrument in its current replication transactions, and therefore, the derivatives are carried at amortized cost. The Company accrues investment income for the replicated synthetic asset throughout the life of the replication transaction. Realized gains or losses at maturity of the replication transaction, which are subject to the IMR, are transferred to the IMR, net of tax.

The Company reports cash flows from the purchase or termination of derivative instruments as cash flows from investing activities unless there is a significant financing element. Income payments, which include all cash settlements and foreign exchange payments are classified as cash flows from operating activities. Changes in receivables and payables related to collateral are reported in investing activities.

Cash, Cash Equivalents and Short-term Investments

Cash and cash equivalents includes cash on hand, amounts due from banks and highly liquid debt instruments that have original maturities of three months or less at date of purchase and are carried at amortized cost. Cash and cash equivalents also include money market mutual funds which are stated at fair value. Short-term investments consist of securities with remaining maturities of one year or less, but greater than three months at the time of acquisition and are carried at amortized cost, which approximates fair value.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)

AVR and IMR

The AVR is used to stabilize surplus from fluctuations in the fair value of bonds, stocks, mortgage loans, real estate and other invested assets. Changes in the AVR are accounted for as direct increases or decreases in surplus. The IMR captures interest related realized gains and losses on sales (net of taxes) of bonds, preferred stocks, mortgage loans, interest related other-than-temporary impairments (net of taxes) and realized gains or losses (net of taxes) on terminated interest rate related derivatives which are amortized into net income over the expected years to maturity of the investments sold or the item being hedged using the grouped method. An interest related other-than-temporary impairment occurs when the Company has the intent to sell an investment at the reporting date, before recovery of the cost of the investment. For asset backed securities, the non-interest related other-than-temporary impairment is booked to the AVR, and the interest related portion to the IMR. The Company admits negative IMR up to the lesser of 10% of the current period unadjusted capital and surplus and 10% of its capital and surplus as required to be shown on the balance sheet of the statutory financial statements most recently filed with its domiciliary state insurance regulator, adjusted to exclude any net positive goodwill, electronic database processing equipment and operating system software, net deferred tax assets and admitted net negative IMR.

Loaned Securities and Repurchase Agreements

The Company enters into securities lending agreements whereby certain investment securities are loaned to third-parties. Securities loaned are treated as financing arrangements. With respect to securities loaned, in order to reduce the Company's risk under these transactions, the Company requires initial cash collateral equal to 102% of the fair value of domestic securities loaned. The Company records an offsetting liability in amounts payable under security lending agreements. The Company monitors the fair value of securities loaned with additional collateral obtained as necessary. The borrower of the loaned securities is permitted to sell or repledge those securities.

The Company enters into dollar roll repurchase agreements to sell and repurchase securities. Assets to be repurchased are the same, or substantially the same, as the assets sold. The Company agrees to sell securities at a specified price and repurchase the securities at a lower price. The Company receives cash in the amount of the sales proceeds and establishes a liability equal to the repurchase amount. The difference between the sale and repurchase amounts represents deferred income which is earned over the life of the agreement. The liability for repurchasing the assets is included in other liabilities.

The Company enters into tri-party reverse repurchase agreements to purchase and resell short-term securities. The Company receives securities as collateral, having a fair value at least equal to 102% of the purchase price paid by the Company for the securities and the Company's designated custodian takes possession of this collateral. The Company is not permitted to sell or repledge these securities. The collateral is not recorded on the Company's financial statements. However, if the counterparty defaults, the Company would then exercise its rights with respect to the collateral, including a sale of the collateral. The fair value of the securities held as collateral is monitored daily and additional collateral is obtained, where appropriate, to protect against credit exposure. The Company records the amount paid for securities purchased under agreements to resell in cash, cash equivalents and short-term investments.

Premiums and Related Expenses

Life premiums are recognized as revenue when due. Annuity considerations are recognized as revenue when received. Commissions and other costs associated with acquiring new business are charged to operations as incurred. Amounts received or paid under deposit type contracts without mortality or morbidity risk are not reported as income or benefits but are recorded directly as an adjustment to the liability for deposit funds. Internal replacements refer to transactions whereby a policyholder transfers the surrender value from their current policy into a similar policy. Premiums and benefits from internal replacements are reported gross in the accompanying Statutory Statement of Operations.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Investment Income

Income from investments, including amortization of premium, accrual of discount and similar items, as well as income from prepayment penalties, is recorded within net investment income, unless otherwise stated herein.

Interest in Annuity Contracts and Obligations under Structured Settlement Agreements

The Company is the assumed obligor for certain structured settlement agreements. To satisfy its obligations under these agreements, the Company owns all the rights, title and interest in and to certain structured settlement annuity contracts issued by New York Life. The obligation under these contracts and the Company's interest in the annuity contracts are reported gross in the statement of financial position. For more details regarding the calculation of this asset and liability, refer to Note - Related Party Transactions.

Policy Reserves

Policy reserves are based on mortality tables and valuation interest rates, which are consistent with statutory requirements and are designed to be sufficient to provide for contractual benefits. The Company holds reserves greater than those developed under the minimum statutory reserving rules when the valuation actuary determines that the minimum statutory reserves are inadequate. Actual results could differ from these estimates and may result in the establishment of additional reserves. The valuation actuary monitors actual experience and, where circumstances warrant, revises assumptions and the related estimates for policy reserves. Refer to Note 12 - Insurance Liabilities for a discussion of reserves in excess of minimum NAIC requirements.

Deposit Funds

Deposit funds relate to contracts that do not subject the Company to mortality and/or morbidity risk. Amounts received as payment for these contracts, benefits paid and interest credited are reported as adjustments to the deposit fund liability. The Company's deposit fund liability primarily relates to fixed period annuities and supplemental contracts without life contingencies. Refer to Note 12 - Insurance Liabilities for further details on this liability.

Reinsurance

The Company enters into reinsurance agreements with affiliated and unaffiliated insurers in the normal course of business to limit its insurance risk or to assume business. Premium income, policyholders' benefits and policyholders' reserves are reported net of reinsurance. Funds held under coinsurance primarily represent balances payable related to reinsurance contracts where we have ceded the Company's risks under certain fixed deferred annuity policies. The balances are determined based on the requirements under each reinsurance agreement. Refer to Note 13 - Reinsurance for additional discussion on reinsurance.

Federal Income Taxes

The Company is a member of an affiliated group which files a consolidated federal income tax return with New York Life. The consolidated income tax provision or benefit is allocated among the members of the group in accordance with a tax allocation agreement. The tax allocation agreement provides that the Company computes its share of consolidated tax provision or benefit, in general, on a separate company basis, and may, where applicable, include the tax benefits of operating or capital losses utilizable in New York Life's consolidated returns. Intercompany tax balances are settled quarterly on an estimated basis with a final settlement occurring within 30 days of the filing of the consolidated tax return. Current federal income taxes are charged or credited to operations based upon amounts estimated to be payable or recoverable as a result of taxable operations for the current year and any adjustments to such estimates from prior years.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company generally recognizes deferred federal income tax assets ("DTAs") and deferred federal income tax liabilities ("DTLs") for expected future tax consequences of temporary differences between statutory and taxable income. Changes in DTAs and DTLs are recognized as a separate component of surplus (except for the net deferred taxes related to investments, which are included in unrealized gains and losses). Limitations on the admitted amount of DTA are calculated in accordance with Statement of Statutory Accounting Principles ("SSAP") No. 101, "Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10". Gross DTAs are reduced by a statutory valuation allowance if it is more likely than not that some portion or all of the gross DTA will not be realized. The Company is required to establish a tax loss contingency if it is more likely than not that a tax position will not be sustained. The amount of the contingency reserve is management's best estimate of the amount of the original tax benefit that could be reversed upon audit, unless the best estimate is greater than 50% of the original tax benefit, in which case the reserve is equal to the entire tax benefit. Refer to Note 16 - Income Taxes for more detailed information about the Company's income taxes.

Separate Accounts

The Company has established both non-guaranteed and guaranteed separate accounts with varying investment objectives which are segregated from the Company's general account and are maintained for the benefit of separate accounts policyholders. Assets held in non-guaranteed separate accounts are stated at market value. Assets held in book value guaranteed separate accounts are carried at the same measurement basis as if the assets were held in the general account up to the value of policyholder reserves and at fair value thereafter.

The liability for separate accounts represents policyholders' interests in the separate accounts assets, excluding liabilities representing due and accrued transfers to the general account. The liability for non-guaranteed separate accounts represents policyholders' interests in the separate accounts assets, including accumulated net investment income and realized and unrealized gains and losses on those assets. For the guaranteed separate accounts, the liability represents amounts due to policyholders pursuant to the terms of the contract.

Other Assets and Liabilities

Other assets primarily consist of net DTAs and other receivables.

Other liabilities primarily consist of derivative liabilities, reinsurance payables, amounts payable for undelivered securities and payable to parent.

Nonadmitted Assets

Under statutory accounting practices, certain assets are designated as nonadmitted assets and are not included in the accompanying Statutory Statements of Financial Position since these assets are not permitted by the Department to be taken into account in determining the Company's financial condition.

Nonadmitted assets typically include agents' debit balances, DTAs not realizable within three years, and receivables over ninety days past due. Changes to nonadmitted assets are reported as a direct adjustment to surplus in the accompanying Statutory Statements of Changes in Surplus.

Fair Value of Financial Instruments and Insurance Liabilities

Fair value of various assets and liabilities is included throughout the notes to the financial statements. Specifically, fair value disclosure of investments held is reported in Note 6 - Investments. Fair values for derivative instruments are included in Note 7 - Derivative Instruments and Risk Management. Fair values for insurance liabilities are reported in Note 12 - Insurance Liabilities. The aggregate fair value of all financial instruments summarized by type is included in Note 9 - Fair Value Measurements.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Contingencies

Amounts related to contingencies are accrued if it is probable that a liability has been incurred and an amount is reasonably estimable.

At the inception of a guarantee, the Company recognizes an initial liability at fair value for the obligations it has undertaken, regardless of the probability of performance under the guarantee.

Foreign Currency Transactions

For foreign currency items, income and expenses are translated at the average exchange rate for the period while assets and liabilities are translated using the spot rate in effect at the date of the statements. Changes in the asset and liability values due to fluctuations in foreign currency exchange rates are recorded as unrealized capital gains and losses in surplus until the asset is sold or exchanged or the liability is settled. Upon settlement, previously recorded unrealized capital gains and losses are reversed, and the foreign exchange gain or loss for the entire holding period is recorded as a realized capital gain or loss in net income.

NOTE 4 - BUSINESS RISKS AND UNCERTAINTIES

The Company is exposed to various risks, including, but not limited to, insurance, financial, operational, and regulatory risks.

The Company is regulated by the insurance departments of the states and territories where it is licensed to do business. Although the federal government does not directly regulate the business of insurance, federal legislation and administrative policies can significantly and adversely affect the insurance industry and the Company. The Company is unable to predict whether any administrative or legislative proposals, at either the federal or state level, will be adopted in the future, or the effect, if any, such proposals would have on the Company.

The Company's insurance liabilities and assets under management are exposed to market risk, policyholder behavior risk, and mortality/longevity risk. Market volatility and other equity market conditions may affect the Company's exposure to risks related to guaranteed death benefits and guaranteed living benefits on variable annuity ("VA") and certain variable universal life ("VUL") products issued by the Company. Furthermore, the level of sales of the Company's insurance and investment products is influenced by many factors, including general market rates of interest, the strength, weakness and volatility of equity markets, and terms and conditions of competing products.

The Company is exposed to the risks normally associated with an investment portfolio, which include general risk of loss of investment, market volatility, interest rate, liquidity, credit, valuation, regulatory change, currency, geographic and counterparty risks. In addition, the investment portfolio is exposed to climate risk, which may affect the value of the Company's investments.

The Company is subject to various operational risks that could adversely impact its profitability, notably technology risks, which include cybersecurity. Technology risks may involve failures or inadequacies in the Company's technology systems, including the risk of damage to or theft of Company information, whether in digital or physical formats, or breaches of the Company's technology platforms. Operational risks also include business disruption risks, which may involve disruptions to mission-critical business functions as a result of system or infrastructure failures, malicious activity, pandemics, and natural and man-made disasters. Climate change may increase the frequency and severity of certain natural disasters that can lead to operational risks.

The Company continues to monitor the economic environment and other potential impacts that could result from current or future outbreaks of infectious diseases, viruses (including COVID-19), epidemics or pandemics.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 5 - RECENT ACCOUNTING PRONOUNCEMENTS

Changes in Accounting Principles

Accounting changes adopted to conform to the provisions of NAIC SAP or other state prescribed accounting practices are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is generally reported as an adjustment to unassigned surplus in the period of the change in accounting principle. Generally, the cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retroactively for all prior periods.

During 2025, the NAIC adopted revisions to SSAP No. 93 "Investments in Tax Credit Structures" to provide new guidance on the accounting, recognition, and reporting of investments where the return is substantially earned through either federal or state tax credits. Specifically, the guidance requires for all qualifying tax credit investments to be reported as Other Invested Assets on Schedule BA and accounted for under the proportional amortization method. Revisions were also made to SSAP No. 94 "State and Federal Tax Credits", which clarifies the accounting guidance for certificated tax credits and expands the current guidance to federal tax credits, while continuing to include state tax credits. The guidance also requires these tax credits to be recorded at face value, with any discount to the certificated tax credits' face value recorded as a deferred gain. The Company adopted the new guidance on January 1, 2025. Upon adoption, there was no significant impact to the Company's surplus.

During 2025, the NAIC adopted revisions to SSAP No. 26 "Bonds" to incorporate a principle-based bond definition. Revisions were also made to SSAP No. 43 "Asset Backed Securities" and SSAP No. 21 "Other Admitted Assets". The revised definition includes criteria that must be met in order for a debt instrument to be reported as a bond, classified as either an issuer credit obligation or asset-backed security. The Company adopted the new guidance on January 1, 2025. Upon adoption, the Company identified debt securities with a book adjusted carrying value ("BACV") of \$441 million and \$13 million for the general account and book value separate accounts, respectively, that no longer met the definition of a bond. These debt securities were reclassified to either preferred stock or other invested assets. Prior to adoption of the new definition, these debt securities were carried at amortized cost unless they had an NAIC-6 designation, which required lower of cost or market ("LOCOM") accounting. Details regarding these securities' BACV and accounting measurement before and post adoption are as follows:

General Account:

| Non-Bond Debt Securities | BACV at 12/31/24 as reported on Schedule D | New measurement Basis | BACV at 1/1/25 After Transition | Aggregate surplus impact after transition at 1/1/25 |
|--|--|---|------------------------------------|---|
| Debt securities reclassified to preferred stock | \$ 236 | Fair Value | \$ 229 | \$ (7) |
| Debt securities reclassified to other invested assets - (Non-Bond Debt Securities) | 83 | LOCOM | 65 | (18) |
| Debt securities reclassified to other invested assets - (Capital Notes) | 121 | Amortized cost if NAIC 1-2; LOCOM if NAIC 3-6 | 121 | — |
| Total | \$ 440 | | \$ 415 | \$ (25) |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 5 - RECENT ACCOUNTING PRONOUNCEMENTS (continued)

Book Value Separate Account:

| Non-Bond Debt Securities | BACV at 12/31/24 as reported on Schedule D | New measurement Basis | BACV at 1/1/25 After Transition | Aggregate surplus impact after transition at 1/1/25 |
|--|--|---|------------------------------------|---|
| Debt securities reclassified to preferred stock | \$ 3 | Fair Value | \$ 3 | \$ — |
| Debt securities reclassified to other invested assets - (Non-Bond Debt Securities) | 6 | LOCOM | 5 | (1) |
| Debt securities reclassified to other invested assets - (Capital Notes) | 4 | Amortized cost if NAIC 1-2; LOCOM if NAIC 3-6 | 4 | — |
| Total | <u>\$ 13</u> | | <u>\$ 12</u> | <u>\$ (1)</u> |

During 2024, the NAIC adopted changes to SSAP No. 21 "Other Admitted Assets," which revise the accounting guidance for residual tranches of securitizations. The new guidance provides a practical expedient that allows for the use of a cost recovery method. Under the cost recovery method, distributions received from the investment are treated as a reduction of the residual's book value. Investment income is not recognized until the book value of the residual has been reduced to zero. The Company early adopted the new guidance on a prospective basis on October 1, 2024. There was no impact to surplus upon adoption. The Company reclassified \$1 million from unrealized gains to realized gains upon adoption.

The NAIC adopted changes to SSAP No. 56 "Separate Accounts" to clarify the definition of a book value separate account and to include accounting guidance for transfers between the general account and the separate accounts. New disclosures are also required. The Company early adopted this guidance as of December 31, 2025, which did not have any financial impact.

During 2023, the NAIC adopted revisions to SSAP No. 48 "Joint Ventures, Partnerships and Limited Liability Companies", SSAP No. 30 "Common Stock" and SSAP No. 32 "Preferred Stock" regarding residual investments. The amended guidance clarified that equity investments issued from entities that are in substance securitization vehicles are to be reported as residual investments. The adoption of this guidance had no impact to the Company's surplus, but required the reclassification of \$3 million at December 31, 2023 of investments in limited partnerships as residual investments.

In 2023, the NAIC adopted Interpretation ("INT") 23-01, which prescribes limited-time, optional, statutory accounting guidance as an exception to the existing guidance detailed in SSAP No. 7 "Asset Valuation Reserve and Interest Maintenance Reserve" and the annual statement instructions that requires non-admittance of a negative IMR. Under the INT, reporting entities are allowed to admit negative IMR if certain criteria are met. The adoption of this guidance allowed the Company to admit \$459 million (including \$17 million from Separate Accounts) and \$544 million of negative IMR at December 31, 2025 and December 31, 2024, respectively, which increased the Company's total assets. There was no impact to net income from this change. New disclosures required under the INT have been included in Note 6 – Investments.

In 2023, the NAIC adopted revisions to SSAP No. 86 "Derivatives", which adopt with modification U.S. GAAP guidance in determining hedge effectiveness. More specifically, SSAP No. 86 was modified to incorporate measurement guidance for excluded components when measuring hedge effectiveness of foreign currency swaps and foreign currency forwards. In addition, new guidance was added regarding the portfolio layer method and partial term hedges for fair value hedges. The Company adopted this guidance on January 1, 2023 with no impact to surplus at adoption. New disclosures related to this guidance were added to Note 7 - Derivative Instruments and Risk Management.

The NAIC adopted revisions to SSAP No. 43R "Asset Backed Securities" to require residual tranches of securitizations to be reported as other invested assets at the lower of cost or market. Residual tranches have been defined under SSAP No. 43R as those investments in a securitization that have no contractual payments, whether

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 5 - RECENT ACCOUNTING PRONOUNCEMENTS (continued)

principal or interest, or both and where payment to the holders of the instruments only occurs after contractual interest and principal payments have been made to the other tranches in the securitization based on any remaining funds. The Company adopted this guidance at December 31, 2022 and reclassified residual tranches with a book value of \$94 million from Bonds to Other invested assets. The reclassification had no impact on income or surplus.

The NAIC adopted revisions to SSAP No. 25 “Affiliates and Other Related Parties” in 2022, with additional revisions issued in 2023, to clarify that for entities not controlled by voting interests, such as limited partnerships, trusts and other special purpose entities, control may be held by a general partner, servicer, or by other arrangements. The ability of the reporting entity or its affiliates to direct the management and policies of an entity through such arrangements shall constitute control as defined in SSAP No. 25. Updates were also adopted in SSAP No. 43R to clarify that investments from any arrangement that results in direct or indirect control of an investee, which include but are not limited to control through a servicer or other controlling arrangement, shall be reported as affiliated in accordance with SSAP No. 25. The Company invests in asset-backed securities issued by securitization vehicles that are managed by its asset management affiliates. These investments do not have any credit risk exposure to affiliates, but are now reported as affiliated investments in Note 6 - Investments based on the revisions adopted. Reporting these investments as affiliated only impacted disclosures and had no impact on the Company’s income or surplus.

NOTE 6 - INVESTMENTS

Bonds

The carrying value and estimated fair value of bonds by maturity at December 31, 2025 and 2024, were as follows (in millions):

| | 2025 | | 2024 | |
|--|----------------|----------------------|----------------|----------------------|
| | Carrying Value | Estimated Fair Value | Carrying Value | Estimated Fair Value |
| Due in one year or less | \$ 9,371 | \$ 9,304 | \$ 10,551 | \$ 10,455 |
| Due after one year through five years ⁽¹⁾ | 35,679 | 35,370 | 37,460 | 36,415 |
| Due after five years through ten years | 28,160 | 27,781 | 24,871 | 23,273 |
| Due after ten years through twenty years | 13,019 | 11,846 | 10,903 | 9,602 |
| Over twenty years | 21,863 | 18,590 | 18,348 | 14,770 |
| Total | \$ 108,092 | \$ 102,891 | \$ 102,133 | \$ 94,516 |

⁽¹⁾ Includes an affiliated bond issued by Madison Capital Funding LLC (“MCF”) and two affiliated bonds issued by NYL Investment Management Holdings LLC (“NYL Investments”). Refer to Note 11 - Related Party Transactions for a more detailed discussion of related party investments.

Corporate bonds are shown based on contractual maturity. Expected maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. Mortgage-backed securities (“MBS”) and asset-backed securities (“ABS”) are not due at a single maturity date and therefore are shown based on the expected cash flows of the underlying loans, which includes estimates of anticipated future prepayments.

In addition to the information disclosed above, short-term investments with a carrying value of \$380 million and \$150 million at December 31, 2025 and 2024, respectively, and cash equivalents with a carrying value of \$3,554 million and \$3,398 million at December 31, 2025 and 2024, respectively, are due in one year or less. Carrying value approximates fair value for these investments.

At December 31, 2025 and 2024, the distribution of gross unrealized gains and losses on bonds were as follows (in millions):

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

| | 2025 | | | |
|---|-------------------|---------------------|----------------------|-------------------------|
| | Carrying Value | Unrealized Gains | Unrealized Losses | Estimated Fair Value |
| Issuer Credit Obligations: | | | | |
| U.S. Government Obligations (Exempt from RBC) | \$ 2,265 | \$ — | \$ 1,020 | \$ 1,245 |
| Other U.S. Government Obligations (Not Exempt from RBC) | 12 | — | 1 | 11 |
| Non-U.S. Sovereign Jurisdiction Securities | 304 | 6 | 10 | 300 |
| Municipal Bonds – General Obligations (Direct and Guaranteed) | 1,085 | 8 | 86 | 1,007 |
| Municipal Bonds – Special Revenues | 3,736 | 23 | 505 | 3,255 |
| Project Finance Bonds Issued by Operating Entities (Unaffiliated) | 2,494 | 57 | 121 | 2,430 |
| Corporate Bonds (Unaffiliated) | 55,054 | 638 | 3,064 | 52,628 |
| Corporate Bonds (Affiliated) | 3,452 | 100 | 2 | 3,550 |
| Single Entity Backed Obligations (Unaffiliated) | 1,170 | 36 | 23 | 1,183 |
| Bonds Issued by Funds Representing Operating Entities (Unaffiliated) | 5,841 | 41 | 223 | 5,660 |
| Bank Loans - Acquired (Unaffiliated) | 512 | 6 | 7 | 512 |
| Total Issuer Credit Obligations | \$ 75,926 | \$ 915 | \$ 5,060 | \$ 71,781 |
| Asset-Backed Securities: | | | | |
| Agency Residential Mortgage-Backed Securities – Guaranteed (Exempt from RBC) | \$ 2,188 | \$ 2 | \$ 304 | \$ 1,886 |
| Non-Agency Commercial Mortgage-Backed Securities (Unaffiliated) | 5,707 | 16 | 257 | 5,467 |
| Non-Agency – CLOs/CBOs/CDOs (Unaffiliated) | 5,213 | 15 | 6 | 5,223 |
| Non-Agency – CLOs/CBOs/CDOs (Affiliated) | 224 | — | — | 225 |
| Other Financial Asset-Backed Securities – Self-Liquidating (Unaffiliated) | 4,753 | 62 | 125 | 4,690 |
| Lease-Backed Securities – Practical Expedient (Unaffiliated) | 1,232 | 12 | 31 | 1,212 |
| Other Non-Financial Asset-Backed Securities – Practical Expedient (Unaffiliated) | 2,569 | 21 | 30 | 2,560 |
| Lease-Backed Securities – Full Analysis (Unaffiliated) | 3,504 | 48 | 48 | 3,504 |
| Agency Commercial Mortgage-Backed Securities – Not/Partially Guaranteed (Not Exempt) | 2 | — | — | 2 |
| Agency Residential Mortgage-Backed Securities – Not/Partially Guaranteed (Not Exempt) | 3,466 | 3 | 308 | 3,161 |
| Non-Agency Residential Mortgage-Backed Securities (Unaffiliated) | 3,306 | 38 | 164 | 3,181 |
| Total – Asset-Backed Securities | \$ 32,166 | \$ 217 | \$ 1,273 | \$ 31,110 |
| Total – Issuer Credit Obligations and Asset-Backed Securities | \$ 108,092 | \$ 1,132 | \$ 6,333 | \$ 102,891 |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

| | 2024 | | | |
|---|-------------------|------------------|-------------------|----------------------|
| | Carrying Value | Unrealized Gains | Unrealized Losses | Estimated Fair Value |
| U.S. governments | \$ 5,127 | \$ 2 | \$ 1,412 | \$ 3,717 |
| All other governments | 260 | 1 | 19 | 243 |
| U.S. special revenue and special assessment | 9,345 | 23 | 1,129 | 8,238 |
| Industrial and miscellaneous unaffiliated | 83,183 | 456 | 5,550 | 78,089 |
| Parent, subsidiaries, and affiliates ⁽¹⁾ | 3,298 | 22 | 6 | 3,314 |
| Hybrid securities | 358 | 5 | 9 | 353 |
| SVO identified funds | 562 | — | — | 562 |
| Total | <u>\$ 102,133</u> | <u>\$ 509</u> | <u>\$ 8,126</u> | <u>\$ 94,516</u> |

⁽¹⁾ The carrying value includes \$267 million of ABS investments that are managed by affiliates of the Company but have no credit risk exposure to those affiliates.

Common and Preferred Stocks

The following table presents the carrying value and change in unrealized gains (losses) of common and preferred stocks at December 31, 2025 and 2024 (in millions):

| | 2025 | | 2024 | |
|------------------|----------------|-------------------------------------|----------------|-------------------------------------|
| | Carrying Value | Change in Unrealized Gains (Losses) | Carrying Value | Change in Unrealized Gains (Losses) |
| Common stocks | \$ 627 | \$ (39) | \$ 732 | \$ (9) |
| Preferred stocks | 229 | (27) | 43 | — |
| Total | <u>\$ 856</u> | <u>\$ (65)</u> | <u>\$ 775</u> | <u>\$ (9)</u> |

Mortgage Loans

The Company's mortgage loans are diversified by property type, location and borrower, and are collateralized. The maximum and minimum lending rates for new commercial mortgage loans funded during 2025 were 12.3% and 2.5% and funded during 2024 were 11.5% and 5.0%, respectively. For 2025 and 2024, the maximum percentage of any one commercial loan to the value of the collateral at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages, was 96.4% (average percentage was 60.4% and 58.1% at December 31, 2025 and 2024, respectively). For 2025 and 2024, the maximum percentage of any residential loan to the value of the collateral at the time of the loan was 94.5% (average percentage was 70.8% and 43.4% at December 31, 2025 and 2024, respectively). The Company has no significant credit risk exposure to any one individual borrower.

The majority of the Company's commercial mortgage loans were held in a form of participations with the carrying value of \$18,473 million and \$17,447 million at December 31, 2025 and 2024, respectively. These loans were originated or acquired by New York Life. Refer to Note 11 - Related Party Transactions for more detail on these transactions.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

At December 31, 2025 and 2024, the distribution of the mortgage loan portfolio by property type and geographic location was as follows (\$ in millions):

| | 2025 | | 2024 | |
|-----------------------|------------------|----------------|------------------|----------------|
| | Carrying Value | % of Total | Carrying Value | % of Total |
| Property Type: | | | | |
| Industrial | \$ 7,100 | 35.1 % | \$ 6,162 | 35.3 % |
| Apartment buildings | 6,794 | 33.6 | 4,968 | 28.5 |
| Office buildings | 2,759 | 13.6 | 2,881 | 16.5 |
| Retail facilities | 2,518 | 12.4 | 2,627 | 15.1 |
| Hotels | 409 | 2.0 | 356 | 2.0 |
| Other | 543 | 2.7 | 453 | 2.6 |
| Residential | 107 | 0.5 | 4 | — |
| Total | \$ 20,230 | 100.0 % | \$ 17,450 | 100.0 % |

| | 2025 | | 2024 | |
|-----------------------------------|------------------|----------------|------------------|----------------|
| | Carrying Value | % of Total | Carrying Value | % of Total |
| US Region | | | | |
| Central | \$ 6,304 | 31.2 % | \$ 5,086 | 29.1 % |
| South Atlantic | 4,858 | 24.0 | 4,185 | 24.0 |
| Pacific | 4,538 | 22.4 | 3,956 | 22.7 |
| Middle Atlantic | 3,774 | 18.7 | 3,516 | 20.1 |
| New England | 575 | 2.8 | 607 | 3.5 |
| Other | 1 | — | — | — |
| Total US region | \$ 20,050 | 99.1 % | \$ 17,350 | 99.4 % |
| International | | | | |
| Europe | \$ 81 | 0.4 % | \$ — | — % |
| Mexico | 100 | 0.5 | 100 | 0.6 |
| Total international region | \$ 180 | 0.9 % | \$ 100 | 0.6 % |
| Total mortgage loans | \$ 20,230 | 100.0 % | \$ 17,450 | 100.0 % |

At December 31, 2025 and 2024, mortgage loans of \$130 million and \$82 million, respectively, were past due 90 days and over.

For residential mortgage loans, a specific valuation allowance is established for loans that are delinquent over 90 days and where the fair value of the collateral is below the loan's amortized cost. Fair value for residential mortgages is usually derived from a broker price, which is market practice for this asset class. Residential mortgage loans are generally considered permanently impaired when the loan is delinquent for 120 days or more since foreclosure is deemed to be probable at that time.

The Company maintains a watchlist of commercial mortgage loans that may potentially be impaired. Some of the general guidelines analyzed to include commercial loans within the watchlist are loan-to-value ratio ("LTV"), asset performance such as debt service coverage ratio, lease rollovers, income and expense hurdles, major tenant or borrower issues, the economic climate, and catastrophic events, among others. Collateral securing loans placed on the watchlist generally take priority in being revalued in the Company's inspection/evaluation commercial loan program that revalues properties securing commercial mortgage loans.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

The fair value of collateral for commercial mortgage loans (excluding credit loans) is periodically updated no less than every three years. If a loan is determined to be potentially troubled, the loan is monitored as to its status and may be revalued. Certain properties that serve as collateral for commercial mortgages have been placed on a different schedule to address additional risks that resulted from rising interest rates or distress in the market due to return to work issues. Collateral values and related loan-to-value (LTV) ratios are key indicators used to monitor credit quality and identify potential problem loans. At December 31, 2025 and 2024, LTVs on the Company's mortgage loans were as follows (in millions):

| 2025 | | | | | | | | |
|----------------------------|---------------------|------------------|-----------------|-------------------|---------------|---------------|---------------|------------------|
| Loan to Value % (By Class) | Apartment Buildings | Office Buildings | Industrial | Retail Facilities | Hotels | Residential | Other | Total |
| Above 95% | \$ 73 | \$ 370 | \$ — | \$ 39 | \$ — | \$ — | \$ 7 | \$ 490 |
| 91% to 95% | 52 | 86 | — | — | — | — | — | 139 |
| 81% to 90% | 113 | 164 | 115 | 12 | 36 | 4 | 3 | 446 |
| 71% to 80% | 1,075 | 395 | 144 | 303 | — | 47 | 16 | 1,982 |
| Below 70% | 5,480 | 1,744 | 6,841 | 2,163 | 373 | 56 | 516 | 17,174 |
| Total | <u>\$ 6,794</u> | <u>\$ 2,759</u> | <u>\$ 7,100</u> | <u>\$ 2,518</u> | <u>\$ 409</u> | <u>\$ 107</u> | <u>\$ 543</u> | <u>\$ 20,230</u> |

| 2024 | | | | | | | | |
|----------------------------|---------------------|------------------|-----------------|-------------------|---------------|-------------|---------------|------------------|
| Loan to Value % (By Class) | Apartment Buildings | Office Buildings | Industrial | Retail Facilities | Hotels | Residential | Other | Total |
| Above 95% | \$ — | \$ 161 | \$ — | \$ — | \$ — | \$ — | \$ 8 | \$ 170 |
| 91% to 95% | 86 | 108 | — | 72 | 13 | — | — | 280 |
| 81% to 90% | 76 | 346 | — | 13 | — | — | — | 434 |
| 71% to 80% | 486 | 569 | 195 | 345 | 23 | — | 16 | 1,635 |
| Below 70% | 4,321 | 1,696 | 5,967 | 2,197 | 319 | 4 | 428 | 14,932 |
| Total | <u>\$ 4,968</u> | <u>\$ 2,881</u> | <u>\$ 6,162</u> | <u>\$ 2,627</u> | <u>\$ 356</u> | <u>\$ 4</u> | <u>\$ 453</u> | <u>\$ 17,450</u> |

At December 31, 2025 and 2024, impaired mortgage loans were as follows (in millions):

| 2025 | | | | | | |
|-------------|---|-------------------|--|-----------------------------|----------------------------|---|
| Type | Impaired Loans with Allowance for Credit Losses | Related Allowance | Impaired Loans Without Allowance for Credit Losses | Average Recorded Investment | Interest Income Recognized | Interest Income on a Cash Basis During the Period |
| Residential | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Commercial | 329 | 85 | 17 | 170 | 3 | — |
| Total | <u>\$ 329</u> | <u>\$ 85</u> | <u>\$ 17</u> | <u>\$ 170</u> | <u>\$ 3</u> | <u>\$ —</u> |

| 2024 | | | | | | |
|-------------|---|-------------------|--|-----------------------------|----------------------------|---|
| Type | Impaired Loans with Allowance for Credit Losses | Related Allowance | Impaired Loans Without Allowance for Credit Losses | Average Recorded Investment | Interest Income Recognized | Interest Income on a Cash Basis During the Period |
| Residential | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Commercial | 63 | 15 | 98 | 150 | 5 | 1 |
| Total | <u>\$ 63</u> | <u>\$ 15</u> | <u>\$ 98</u> | <u>\$ 150</u> | <u>\$ 5</u> | <u>\$ 1</u> |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

In 2025, the Company started investing in residential mortgage loans through a Delaware Statutory Trust (the "Trust"). The Trust owns residential mortgages in three separate series. The Company, along with New York Life and LINA, own a 100% undivided beneficial ownership in the assets of one of the series. At December 31, 2025, the Company's cash owned through the trust was less than a million. At December 31, 2025, the Company's investment in residential mortgages and cash owned through the Trust are as follows (in millions):

| 2025 | |
|-----------------------------------|-----------------------|
| Residential Mortgage Loans | Carrying Value |
| In good standing: | |
| Pacific | \$ 35 |
| Central | 24 |
| South Atlantic | 22 |
| Middle Atlantic | 19 |
| New England | 4 |
| Total in good standing | \$ 104 |

Other Invested Assets

The carrying value of other invested assets at December 31, 2025 and 2024 consisted of the following (in millions):

| | 2025 | 2024 |
|---|-------------|-------------|
| Limited partnerships and limited liability companies ⁽¹⁾ | \$ 2,470 | \$ 1,723 |
| Affiliated non-insurance subsidiaries | 1,451 | 1,372 |
| Capital notes and surplus notes | 359 | 119 |
| Tax credit investments | 297 | 330 |
| Residuals | 433 | 155 |
| Other investments | 157 | 120 |
| Derivative collateral | 107 | 102 |
| Loan to affiliates | 30 | 9 |
| Total other invested assets | \$ 5,304 | \$ 3,930 |

⁽¹⁾ At December 31, 2025 and 2024, the Company had \$7 million and \$7 million, respectively, of investments in other invested assets that were nonadmitted, and therefore, excluded from the amounts above.

Limited partnerships and limited liability companies primarily consist of limited partnership interests in leveraged buy-out funds, real estate funds, and other private equity investments. Distributions, other than those deemed a return of capital, are recorded as Net investment income in the accompanying Statutory Statements of Operations. Undistributed earnings are included in Change in net unrealized capital gains on investments in the accompanying Statutory Statements of Changes in Capital and Surplus.

Affiliated non-insurance subsidiaries consist of the Company's limited liability company investment in MCF. The Company owns a majority interest in MCF. Dividends are recorded in Net investment income in the accompanying Statutory Statements of Operations when declared and changes in the equity of this investment are recorded in Change in net unrealized capital gains on investments in the accompanying Statutory Statements of Changes in Capital and Surplus.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

The Company's investments in surplus notes and capital notes represent the Company's investments in debt predominantly issued by insurance companies and banks, respectively. The Company's capital notes that are reported in other invested assets were previously reported as bonds. As part of the implementation of the PBBD, these notes were reclassified as other invested assets since the issuers' primary regulatory authority can cancel interest in the event of financial stress in a non-resolution scenario without triggering an event of default. Refer to Note 2 - Significant Accounting Policies for the accounting treatment for these instruments

The Company's tax credit investments consists of Low Income Housing Tax Credit ("LIHTC"), wind energy, and New Market Tax Credit ("NMTC") investments, which have the primary purpose of generating tax credits for the Company. The Company adopted the revisions to SSAP 93, effective 1/1/25, which requires all tax credit investments to be initially recorded at cost and carried at amortized cost using the proportional amortization method, unless considered impaired. Prior to 1/1/25, the LIHTC and NMTC investments were captured under SSAP 93 and reported at amortized cost using the proportional amortization method, while wind energy investments were recorded using the equity method of accounting. The amortization of these investments is reported in Net investment income in the accompanying Statutory Statement of Operations. The tax credits received on all tax credit investments are recorded in Federal and foreign income taxes in the accompanying Statutory Statement of Operations.

During 2025, 2024 and 2023, the Company recorded amortization on these investments under the proportional amortization method of \$53 million, \$22 million, and \$17 million, respectively. The Company recorded tax credits and other tax benefits on these investments of \$59 million, \$25 million, and \$20 million for 2025, 2024 and 2023, respectively. Tax credit investments are periodically subject to regulatory reviews, and the Company is not aware of any adverse issues related to such regulatory reviews. There have been no significant modifications or events that resulted in a change in the nature of the investment or a change in the relationship with the underlying project for tax credit investments.

Tax credits expected to be generated each year for the subsequent five years and thereafter:

| Year | Transferable | Non-transferable | Total |
|-------|--------------|------------------|--------|
| 2026 | \$ 42 | \$ 6 | \$ 49 |
| 2027 | \$ 42 | \$ 7 | \$ 49 |
| 2028 | \$ 40 | \$ 6 | \$ 46 |
| 2029 | \$ 38 | \$ 5 | \$ 43 |
| 2030 | \$ 30 | \$ 3 | \$ 34 |
| 2031+ | \$ 104 | \$ 2 | \$ 106 |

At December 31, 2025, Total Carrying Value of State and Federal Tax Credits, Disaggregated by Transferable/Certificated and Non-Transferable, Gross of any Related Tax Liabilities by Jurisdiction and in Total:

| 2025 | | | |
|--|--------------|-------------------------------|------------------------------------|
| Description of State and Federal Tax Credits | Jurisdiction | Carrying Value ⁽¹⁾ | Total Unused Amount ⁽²⁾ |
| State - Transferable (LIHTC) | GA | \$ 1 | \$ 3 |
| State - Transferable (LIHTC) | MA | 1 | 1 |
| State - Transferable (LIHTC) | CA | 5 | 4 |
| Federal - Transferable | N/A | 280 | 295 |
| Federal - Non-Transferable | N/A | 15 | 29 |
| Total | | <u>\$ 302</u> | <u>\$ 332</u> |

⁽¹⁾Includes \$6 million of certificated tax credits which are reported in other assets on the Statutory Statements of Financial Position.

⁽²⁾Total unused tax credits represent the entire amount of tax credit available.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

Total unused tax credits by jurisdiction, disaggregated by transferable/certified and nontransferable, which are fully admitted, are as follows:

| | | 2025 | | |
|-----------------------|----------------------------|---------------------------------------|------------------------|---------------|
| | <u>State Abbreviation*</u> | <u>Transferable/ Certificated</u> | <u>Nontransferable</u> | <u>Total</u> |
| a. State | | | | |
| Georgia | GA | \$ 3 | \$ — | \$ 3 |
| Massachusetts | MA | 1 | — | 1 |
| California | CA | 4 | — | 4 |
| | Total | \$ 8 | \$ — | \$ 8 |
| b. Federal | | \$ 295 | \$ 29 | \$ 324 |
| c. Total (a+b) | | \$ 303 | \$ 29 | \$ 332 |

*Only applicable to State section (a) of table

The Company estimated the utilization of the remaining state and federal tax credits by projecting future premium taking into account 1) policy growth and rate changes, 2) projecting future tax liability based on projected premium, 3) tax rate and tax credits, and 4) comparing projecting future tax liability of remaining state and federal tax credits.

At December 31, 2025, the Company did not have any impairment losses as a result of impairment analysis on state and federal tax credits.

Effective October 1, 2024, residual tranches of securitizations are reported using a cost recovery method where distributions received are treated as a reduction of the residual's book/adjusted carrying value. Investment income is not recognized until the book/adjusted carrying value of the residual has been reduced to zero. Prior to October 1, 2024, most residuals were reported at the lower of cost or market and income was accrued using an effective yield method. Interest earned on these investments is included in Net Investment Income in the accompanying Statutory Statement of Operations

The Company's other investments consist primarily of debt securities that do not meet the PBBD. The Company's debt securities that do not meet the PBBD are predominantly single asset, single borrower commercial mortgage backed securities where we own the only tranche or the last tranche issued by the securitization vehicle. These securities are reported at the lower of cost or market and tested for impairment.

Loans to affiliates represent loans issued to NYL Investors and are carried at amortized cost.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

Net investment income (loss) and change in unrealized gains (losses) for other invested assets for the years ended December 31, 2025 and 2024 consisted of the following (in millions):

| | 2025 | | 2024 | | 2023 | |
|--|------------------------------|--|------------------------------|--|------------------------------|--|
| | Net Investment Income (Loss) | Change in Unrealized Gains (Losses) ⁽¹⁾ | Net Investment Income (Loss) | Change in Unrealized Gains (Losses) ⁽¹⁾ | Net Investment Income (Loss) | Change in Unrealized Gains (Losses) ⁽¹⁾ |
| Limited partnerships and limited liability companies | \$ 63 | \$ 143 | \$ 53 | \$ 10 | \$ 47 | \$ (58) |
| Affiliated non-insurance subsidiaries | 131 | 79 | 98 | 134 | 345 | (79) |
| Other Invested Assets | 23 | (9) | 9 | — | 8 | — |
| Real estate investment property | 17 | — | 17 | — | 17 | — |
| Residuals | — | — | 11 | 4 | 17 | (5) |
| Tax credit Investments | (53) | — | (38) | — | (36) | — |
| Loans to affiliates | 1 | — | 1 | — | 1 | — |
| Total other invested assets | <u>\$ 183</u> | <u>\$ 213</u> | <u>\$ 151</u> | <u>\$ 148</u> | <u>\$ 399</u> | <u>\$ (142)</u> |

⁽¹⁾ Includes unrealized foreign exchange gains (losses) of \$28 million, \$8 million and \$2 million in 2025, 2024 and 2023 respectively.

Admitted Goodwill

The following table represents goodwill generated under the statutory purchase method of accounting (\$ in millions):

| Purchased Entity | Financial Statement Line | Acquisition Date | Cost of Acquisition | Original Amount of Goodwill | Original Amount of Goodwill Admitted | Admitted Goodwill at 12/31/25 | Amortization for the Year Ended 12/31/25 | Book Value | Admitted Goodwill as a % of Book Adjusted Carrying Value, Gross of Admitted Goodwill |
|--------------------------------|--------------------------|------------------|---------------------|-----------------------------|--------------------------------------|-------------------------------|--|------------|--|
| Stone Ridge Holdings Group LLC | Other invested assets | 1/19/2024 | \$ 250 | \$ 153 | \$ 153 | \$ 122 | \$ 15 | \$ 291 | 42 % |

As required under NAIC SAP, goodwill is limited in the aggregate to 10% of the acquiring entity's capital and surplus, adjusted to exclude any net positive goodwill, electronic database processing equipment and operating system software, and net deferred tax assets. The table below shows the calculation of the Company's adjusted surplus for purposes of the goodwill admissibility calculation (\$ in millions):

| | Calculation of Limitation at | |
|--|------------------------------|-------------------|
| | September 30, 2025 | December 31, 2025 |
| Capital and surplus | \$ 8,596 | |
| Less: | | |
| Admitted positive goodwill | 126 | |
| Admitted EDP equipment and operating system software | — | |
| Admitted net deferred taxes | 768 | |
| Total adjustments | 894 | |
| Adjusted capital and surplus | <u>\$ 7,702</u> | |
| Limitation on amount of goodwill (adjusted capital and surplus times 10%) | | \$ 770 |
| Current period reported admitted goodwill | | \$ 122 |
| Current period admitted goodwill as a % of prior period adjusted capital and surplus | | 2 % |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

Assets on Deposit or Pledged as Collateral

At December 31, 2025 and 2024, the Company's restricted assets (including pledged collateral) were as follows (\$ in millions):

| Restricted Asset Category | 2025 | | | | | | | Percentage | |
|--|---|-----------------------------|----------------|-----------------------|---------------------|------------------------------|---------------------------|--|--|
| | Gross (Admitted and Nonadmitted) Restricted | | | | | | | Gross (Admitted and Non-admitted) Restricted to Total Assets | Admitted Restricted to Total Admitted Assets |
| | Total General Account | Total S/A Restricted Assets | Total | Total From Prior Year | Increase (Decrease) | Total Nonadmitted Restricted | Total Admitted Restricted | | |
| Collateral held under security lending agreements | \$ 1,000 | \$ — | \$1,000 | \$ 1,000 | \$ — | \$ — | \$ 1,000 | 0.4 % | 0.4 % |
| Subject to reverse repurchase agreements | 510 | — | 510 | 460 | 50 | — | 510 | 0.2 | 0.2 |
| Subject to dollar repurchase agreements | — | — | — | — | — | — | — | 0.0 | 0.0 |
| Letter stock or securities restricted as to sale - excluding Federal Home Loan Bank ("FHLB") capital stock | — | — | — | 28 | (28) | — | — | 0.0 | 0.0 |
| FHLB capital stock | 24 | — | 24 | 25 | (1) | — | 24 | 0.0 | 0.0 |
| On deposit with states | 5 | — | 5 | 5 | — | — | 5 | 0.0 | 0.0 |
| Pledged as collateral or other restricted assets not captured in other categories | 19 | — | 19 | 6 | 14 | — | 19 | 0.0 | 0.0 |
| Collateral Assets Received and on Balance Sheet | 1,725 | 12 | 1,737 | — | 1,737 | — | 1,737 | 0.8 | 0.8 |
| Assets held under Modco Reinsurance Agreements | — | 65 | 65 | 62 | 3 | — | 65 | 0.0 | 0.0 |
| Assets held under Funds Withheld Reinsurance Agreements | 3,368 | — | 3,368 | — | 3,368 | — | 3,368 | 1.5 | 1.5 |
| Total restricted assets | \$ 6,651 | \$ 77 | \$6,728 | \$ 1,585 | \$ 5,143 | \$ — | \$ 6,728 | 3.0 % | 3.0 % |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

| Restricted Asset Category | 2024 | | | | | | Percentage | |
|---|---|--------------------------------|------------------------|------------------------------------|---------------------------------|--------------|--|--|
| | Gross (Admitted and Nonadmitted) Restricted | | | | | | Gross (Admitted and Non-admitted) Restricted to Total Assets | Admitted Restricted to Total Admitted Assets |
| | Total General Account | Total From Prior Year | Increase (Decrease) | Total Nonadmitted Restricted | Total Admitted Restricted | Total | | |
| Collateral held under security lending agreements | \$ 1,000 | \$ 675 | \$ 325 | \$ — | \$ 1,000 | 0.5 % | 0.5 % | |
| Subject to reverse repurchase agreements | 460 | 210 | 250 | — | 460 | 0.2 | 0.2 | |
| Subject to dollar repurchase agreements | — | — | — | — | — | 0.0 | 0.0 | |
| Letter stock or securities restricted as to sale - excluding FHLB capital stock | 28 | 37 | (9) | — | 28 | 0.0 | 0.0 | |
| FHLB capital stock | 25 | 25 | — | — | 25 | 0.0 | 0.0 | |
| On deposit with states | 5 | 4 | 1 | — | 5 | 0.0 | 0.0 | |
| Pledged as collateral not captured in other categories | 6 | 10 | (4) | — | 6 | 0.0 | 0.0 | |
| Total restricted assets | \$ 1,523 | \$ 961 | \$ 563 | \$ — | \$ 1,524 | 0.7 % | 0.7 % | |

Loaned Securities and Repurchase Agreements

The Company participates in securities lending programs whereby securities, which are included in investments, are loaned to third-parties for the purpose of enhancing income on securities held through reinvestment of cash collateral received upon lending. For securities lending transactions, the Company requires initial collateral, usually in the form of cash, equal to 102% of the fair value of domestic securities loaned. The borrower of the loaned securities is permitted to sell or repledge those securities. At December 31, 2025, the Company recorded cash collateral received under these agreements of \$1,000 million, and established a corresponding liability for the same amount, which is included in Amounts payable under security lending agreements in the accompanying Statutory Statements of Financial Position. For securities lending transactions, the carrying value of securities classified as bonds and on loan at December 31, 2025 was \$983 million with a fair value of \$975 million. At December 31, 2024, the carrying value was \$1,010 million, with a fair value of \$975 million. The reinvested collateral is reported in bonds, and Cash, cash equivalent and short-term investments in the accompanying Statutory Statements of Financial Position. The total fair value of all reinvested collateral positions was \$1,045 million and \$707 million at December 31, 2025 and 2024, respectively.

At December 31, 2025, the carrying value and fair value of securities held under agreements to purchase and resell was \$510 million, which were classified as tri-party reverse repurchase agreements and included in Cash, cash equivalents, and short-term investments in the accompanying Statutory Statements of Financial Position. The securities had a weighted average maturity of 2 days and a weighted average yield of 3.8%. At December 31, 2024, the carrying value and fair value of securities held under agreements to purchase and resell was \$460 million which were classified as tri-party reverse repurchase agreements and included in Cash, cash equivalents, and short-term investments in the accompanying Statutory Statements of Financial Position. The securities had a weighted average maturity of 2 days and a weighted average yield of 5.3%.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

The Company participates in dollar repurchase agreements to sell and repurchase securities. The purchaser of the securities is permitted to sell or repledge those securities. The liability for repurchasing the assets is included in Borrowed money in the accompanying Statutory Statements of Financial Position. At December 31, 2025 and 2024, the Company was not a party to any dollar repurchase agreements in the general account. At December 31, 2025 and 2024, the Company was not a party to any dollar repurchase agreements in the separate accounts.

Collateral Received

At December 31, 2025 and 2024, assets received as collateral reflected within the accompanying Statutory Statements of Financial Position, along with a liability to return such collateral, were as follows (\$ in millions):

| 2025 | | | | | | | | | |
|-------------------------------------|-------------------------------------|-------------------|-------------------|------------------------------|--|--------------------------------|--|--------------------------------|--|
| Cash Collateral Assets | BACV Collateral | BACV Modco | BACV FWH | Fair Value Collateral | Fair Value Modco | Fair Value FWH | % Total Assets (Admitted and Nonadmitted) | % Total Admitted Assets | |
| Securities lending | \$ 1,000 | \$ — | \$ — | \$ 1,000 | \$ — | \$ — | 0.6 % | 0.6 % | |
| Derivatives | 725 | — | — | 725 | — | — | 0.5 | 0.5 | |
| Modco/FWH Assets | — | — | 3,368 | — | — | 3,388 | 2.1 | 2.2 | |
| Total | \$ 1,725 | \$ — | \$ 3,368 | \$ 1,725 | \$ — | \$ 3,388 | 3.3 % | 3.3 % | |
| Derivatives (separate account) | \$ 12 | \$ — | \$ — | \$ 12 | \$ — | \$ — | 0.0 % | 0.0 % | |
| Modco/FWH Assets (separate account) | — | 65 | — | — | 65 | — | — | — | |
| 2024 | | | | | | | | | |
| Cash Collateral Assets | Book/Adjusted Carrying Value | | Fair Value | | % Total Assets (Admitted and Nonadmitted) | % Total Admitted Assets | | | |
| Securities lending | \$ | 1,000 | \$ | 1,000 | 0.7 % | 0.7 % | | | |
| Derivatives | | 1,253 | | 1,253 | 0.9 | 0.9 | | | |
| Total | \$ | 2,253 | \$ | 2,253 | 1.5 % | 1.6 % | | | |

| Recognized Liability to Return Collateral | 2025 | | 2024 | |
|---|-----------------|----------------------------|-----------------|----------------------------|
| | Amount | % Total Liabilities | Amount | % Total Liabilities |
| Amounts payable under securities lending agreements | \$ 1,000 | 0.7 % | \$ 1,000 | 0.7 % |
| Other liabilities (derivatives) | 725 | 0.5 | 1,241 | 0.9 |
| Separate accounts liabilities (derivatives) | 12 | — | 12 | — |
| Borrowed money (repurchase agreements) | — | — | — | — |
| Modco Assets | — | — | — | — |
| Modco Assets Separate Account | 65 | — | — | — |
| FWH Assets | 3,368 | 2.3 | — | — |
| Total | \$ 5,170 | 3.5 % | \$ 2,253 | 1.6 % |

Cash received on securities lending transactions and repurchase agreements is then reinvested in short-term investments and bonds with various maturities.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

Collateral Pledged

At December 31, 2025 and 2024, the Company's did not have any assets which were received as collateral and held under Modco/Funds Withheld (FWH) Reinsurance agreements, were pledged for another purpose specific to the insurance reporting entity.

Composition of Collateral Received

The following tables present the terms and amounts of cash collateral received under security lending transactions and dollar repurchase agreements for the following types of securities loaned at December 31, 2025 and 2024 (in millions):

| | 2025 | | | | | |
|---|---|----------------------------|--------------------------|--------------------------|-------------------------------------|-----------------|
| | Remaining Contractual Maturity of the Agreements | | | | | |
| | Open | 30 days or less | 31 to 60 days | 61 to 90 days | Greater than 90 days | Total |
| US. Treasury | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| U.S. government corporation & agencies | — | — | — | — | — | — |
| Foreign governments | — | — | — | — | — | — |
| U.S. corporate | 805 | — | — | — | — | 805 |
| Foreign corporate | 195 | — | — | — | — | 195 |
| Total general account securities lending transactions | <u>\$ 1,000</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 1,000</u> |

| | 2024 | | | | | |
|---|---|----------------------------|--------------------------|--------------------------|-------------------------------------|-----------------|
| | Remaining Contractual Maturity of the Agreements | | | | | |
| | Open | 30 days or less | 31 to 60 days | 61 to 90 days | Greater than 90 days | Total |
| US. Treasury | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| U.S. government corporation & agencies | 2 | — | — | — | — | 2 |
| Foreign governments | — | — | — | — | — | — |
| U.S. corporate | 827 | — | — | — | — | 827 |
| Foreign corporate | 171 | — | — | — | — | 171 |
| Total general account securities lending transactions | <u>\$ 1,000</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 1,000</u> |

At December 31, 2025 and 2024, there were no separate account securities cash collateral received under securities lending agreements.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

Reinvestment of Collateral Received

The following tables present the term and aggregate fair value at December 31, 2025 and 2024 from the reinvestment of all collateral received in securities lending and dollar repurchase agreements (in millions):

| Period to Maturity | 2025 | | 2024 | |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|
| | Amortized Cost | Fair Value | Amortized Cost | Fair Value |
| Open | \$ — | \$ — | \$ — | \$ — |
| 30 days or less | 537 | 537 | 773 | 773 |
| 31 to 60 days | 225 | 225 | 25 | 25 |
| 61 to 90 days | 159 | 159 | 84 | 84 |
| 91 to 120 days | 20 | 20 | 27 | 27 |
| 121 to 180 days | 31 | 31 | 26 | 26 |
| 181 to 365 days | 63 | 63 | 35 | 35 |
| 1 to 2 years | — | — | 70 | 71 |
| 2 to 3 years | 10 | 10 | — | — |
| Greater than 3 years | — | — | — | — |
| Total collateral reinvested | <u>\$ 1,045</u> | <u>\$ 1,045</u> | <u>\$ 1,039</u> | <u>\$ 1,040</u> |

To help manage the mismatch of maturity dates between the security lending transactions and the related reinvestment of the collateral received, the Company invests in highly liquid assets.

Reverse Repurchase Agreement Transactions

The following table provides contractual maturity, maximum balance during the year, and ending balance for tri-party reverse repurchase agreements at December 31, 2025 and 2024 (in millions):

| | 2025 | | 2024 | |
|-----------------------|-----------------|----------------|-----------------|----------------|
| | Maximum Balance | Ending Balance | Maximum Balance | Ending Balance |
| Open - No Maturity | \$ — | \$ — | \$ — | \$ — |
| Overnight | \$ 512 | \$ — | \$ 481 | \$ — |
| 2 Days to 1 Week | \$ — | \$ 510 | \$ — | \$ 460 |
| > 1 Week to 1 Month | \$ — | \$ — | \$ — | \$ — |
| > 1 Month to 3 Months | \$ — | \$ — | \$ — | \$ — |
| > 3 Months to 1 Year | \$ — | \$ — | \$ — | \$ — |
| > 1 Year | \$ — | \$ — | \$ — | \$ — |

At December 31, 2025 and 2024, the Company did not have any defaulted reverse repurchase agreements.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

The following table presents the fair value of securities acquired under tri-party reverse repurchase agreement transactions, which were all NAIC rating of 1, for all four quarters of 2025 and 2024 (in millions):

| | <u>Maximum Balance</u> | <u>Ending Balance</u> |
|---------------------|------------------------|-----------------------|
| Fourth Quarter 2025 | \$ 512 | \$ 510 |
| Third Quarter 2025 | \$ 509 | \$ 506 |
| Second Quarter 2025 | \$ 512 | \$ 506 |
| First Quarter 2025 | \$ 503 | \$ 497 |
| | | |
| Fourth Quarter 2024 | \$ 476 | \$ 460 |
| Third Quarter 2024 | \$ 481 | \$ 458 |
| Second Quarter 2024 | \$ 477 | \$ 460 |
| First Quarter 2024 | \$ 465 | \$ 465 |

The following table presents the securities at fair value pledged as collateral used in tri-party reverse repurchase agreement transactions by remaining contractual maturity for four quarters of 2025 and 2024 (in millions):

| | <u>Overnight and Continuous</u> | <u>30 days or Less</u> | <u>31 to 90 Days</u> | <u>> 90 Days</u> |
|-----------------------|-------------------------------------|------------------------|----------------------|---------------------|
| Maximum Amount | | | | |
| Fourth Quarter 2025 | \$ — | \$ — | \$ — | \$ 522 |
| Third Quarter 2025 | \$ — | \$ — | \$ — | \$ 520 |
| Second Quarter 2025 | \$ — | \$ — | \$ — | \$ 522 |
| First Quarter 2025 | \$ — | \$ — | \$ — | \$ 513 |
| | | | | |
| Fourth Quarter 2024 | \$ — | \$ — | \$ — | \$ 486 |
| Third Quarter 2024 | \$ — | \$ — | \$ — | \$ 491 |
| Second Quarter 2024 | \$ — | \$ — | \$ — | \$ 486 |
| First Quarter 2024 | \$ — | \$ — | \$ — | \$ 475 |
| | | | | |
| Ending Balance | | | | |
| Fourth Quarter 2025 | \$ — | \$ — | \$ — | \$ 520 |
| Third Quarter 2025 | \$ — | \$ — | \$ — | \$ 516 |
| Second Quarter 2025 | \$ — | \$ — | \$ — | \$ 516 |
| First Quarter 2025 | \$ — | \$ — | \$ — | \$ 507 |
| | | | | |
| Fourth Quarter 2024 | \$ — | \$ — | \$ — | \$ 469 |
| Third Quarter 2024 | \$ — | \$ — | \$ — | \$ 467 |
| Second Quarter 2024 | \$ — | \$ — | \$ — | \$ 469 |
| First Quarter 2024 | \$ — | \$ — | \$ — | \$ 475 |

At December 31, 2025, and 2024, the Company had no recognized receivable for return of collateral or a recognized liability to return collateral.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

Insurer Self-Certified Securities

The following represents securities for which the Company does not have all the information required for the NAIC to provide an NAIC designation, but for which the Company is receiving timely payments of principal and interest. These securities are referred to as "5GI Securities" (\$ in millions):

| General Account | 2025 | | | 2024 | | |
|--|---|---------------------------|-------------------------------------|---|---------------------------|-------------------------------------|
| | Number of 5GI Securities | Carrying Value | Estimated Fair Value | Number of 5GI Securities | Carrying Value | Estimated Fair Value |
| Investments | | | | | | |
| Issuer Credit Obligations - amortized cost | 1 | \$ — | \$ — | 1 | \$ — | \$ — |
| Asset backed securities - amortized cost | 6 | 1 | 1 | 6 | 1 | 2 |
| Preferred stock - amortized cost | — | — | — | — | — | — |
| Preferred stock - fair value | 1 | — | — | 2 | — | — |
| Total general account | 8 | \$ 1 | \$ 2 | 9 | \$ 1 | \$ 2 |
| Separate account: | | | | | | |
| Asset backed securities - amortized cost | — | \$ — | \$ — | — | \$ — | \$ — |
| Total separate account | — | \$ — | \$ — | — | \$ — | \$ — |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

Collateral Loans

The following table presents the aggregate collateral loans by qualifying investment collateral as of December 31, 2025 (\$ in thousands):

| Collateral Type | Aggregate Collateral Loan | Admitted | Nonadmitted |
|------------------------------|------------------------------|---------------|-------------|
| Issuer Credit Obligations | | | |
| a. Affiliated | \$ — | \$ — | \$ — |
| b. Unaffiliated | 462 | 462 | — |
| Other Qualifying Investments | | | |
| a. Affiliated | — | — | — |
| b. Unaffiliated | — | — | — |
| Total | \$ 462 | \$ 462 | \$ — |

Wash Sales

In the course of the Company's investment management activities, securities may be sold and repurchased within 30 days of the sale date to meet individual portfolio objectives and to achieve the ongoing rebalancing of exposure.

The Company did not have any wash sales where securities with an NAIC rating designation of 3 or below, or unrated, were sold during the year ended December 31, 2025, and reacquired within 30 days of the sale date. The details by NAIC designation of 3 or below, or unrated, securities sold during the year ended December 31, 2024, and reacquired within 30 days of the sale date are as follows (\$ in millions):

| 2024 | | | | | | |
|-----------------------------|------------------|------------------------|-------------------------------|--------------------------------|-------------------------|--|
| Description | NAIC Designation | Number of Transactions | Book Value of Securities Sold | Cost of Securities Repurchased | Realized Gains (Losses) | |
| Bonds | NAIC 3 | \$ 1 | \$ 1 | \$ 1 | \$ — | |
| Bonds | NAIC 4 | — | — | — | — | |
| Bonds | NAIC 5 | — | — | — | — | |
| Bonds | NAIC 6 | — | — | — | — | |
| Preferred stock | NAIC 3 | — | — | — | — | |
| Preferred stock | NAIC 4 | — | — | — | — | |
| Preferred stock | NAIC 5 | — | — | — | — | |
| Preferred stock | NAIC 6 | — | — | — | — | |
| Common stock ⁽¹⁾ | | 5 | — | — | — | |
| | | <u>\$ 6</u> | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ —</u> | |

⁽¹⁾ Book value of securities sold and cost of securities repurchased are both less than a million.

Admitted Negative IMR

IMR was admitted up to the lesser of 10% of the Company's current period adjusted Capital and Surplus and 10% of its capital and surplus. Capital and Surplus was adjusted to exclude net positive admitted goodwill, electronic data processing equipment and operating system software, admitted negative IMR, and net deferred tax assets. The computation of adjusted Capital and Surplus for purposes of negative IMR admissibility is included below (\$ in millions):

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 6 - INVESTMENTS (continued)

| | 2025 | | | |
|---|-----------------|------------------------|-----------------------------------|---------------------------------------|
| | Total | General Account | Insulated Separate Account | Non-Insulated Separate Account |
| (1) Net negative (disallowed) IMR | \$ 459 | \$ 442 | \$ 17 | \$ — |
| (2) Negative (disallowed) IMR admitted | 459 | 442 | 17 | — |
| (3) Calculated adjusted capital and surplus | | | | |
| Prior Period General Account Capital & Surplus | 8,596 | | | |
| From Prior Period SAP Financials | | | | |
| Net Positive Goodwill (admitted) | 126 | | | |
| EDP Equipment & Operating System Software (admitted) | — | | | |
| Net DTAs (admitted) | 768 | | | |
| Net Negative (disallowed) IMR (admitted) | 477 | | | |
| Adjusted Capital & Surplus | <u>\$ 7,224</u> | | | |
| (4) Percentage of adjusted capital and surplus | | | | |
| Percentage of Total Net Negative (disallowed) IMR admitted in General Account or recognized in Separate Account to adjusted capital and surplus | | 6.4 % | | |
| (5) Allocated gains/losses to IMR from derivatives | | | | |
| | | Gains | Losses | |
| Unamortized Fair Value Derivative Gains & Losses Realized to IMR - Prior Period | \$ 342 | \$ 421 | | |
| Fair Value Derivative Gains & Losses Realized to IMR - Added in Current Period | \$ 262 | \$ 177 | | |
| Fair Value Derivative Gains & Losses Amortized Over Current Period | \$ 58 | \$ 65 | | |
| Unamortized Fair Value Derivative Gains & Losses Realized to IMR - Current Period Total | \$ 547 | \$ 533 | | |

The Company engages in prudent portfolio management that may require sales of its fixed income investments in order to rebalance the portfolio and match the duration of the Company's insurance liabilities. Proceeds from the sale of fixed income investments made for these purposes are reinvested in similar assets. If sales are executed due to liquidity pressures related to the Company's insurance contracts (i.e., excess withdrawal activity), any related realized gains and losses are not deferred into the IMR. The Company uses different derivative instruments to manage interest rate risk. Derivatives trading is made in accordance with the Company's investment management policies and is in accordance with the Company's derivatives use plan, which is filed with NYSDFS. The Company is allowed to include realized gains and losses arising from the sale of derivatives carried at fair value while held as the Company's policy has historically been to defer in the IMR realized gains and losses from all of its interest rate hedges where the underlying is subject to the IMR regardless of whether the derivative is reported at fair value or amortized cost.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 7 - DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT

The Company uses derivative instruments to manage interest rate, equity and currency risk, and to replicate otherwise permissible investments. These derivative instruments include foreign currency and bond forwards, interest rate and equity options, interest rate and equity futures, interest rate, total return, credit default and foreign currency swaps. The Company does not engage in derivative instrument transactions for speculative purposes.

The Company may enter into exchange traded futures and over-the-counter (“OTC”) derivative instruments. Exchange traded derivatives are executed through regulated exchanges and require initial and daily variation margin collateral postings. The Company is exposed to credit risk resulting from default of the exchange.

OTC derivatives may either be cleared through a clearinghouse (“OTC-cleared”) or transacted between the Company and a counterparty under bilateral agreements (“OTC-bilateral”). Similar to exchange traded futures, OTC-cleared derivatives require initial and daily variation margin collateral postings. When transacting OTC-cleared derivatives, the Company is exposed to credit risk resulting from default of the clearinghouse and/or default of the Futures Commission Merchant (e.g. clearinghouse agent).

When transacting OTC-bilateral derivatives, the Company is exposed to the potential default of its OTC-bilateral counterparty. The Company manages its credit risk by entering into transactions with creditworthy counterparties, using master netting arrangements, and obtaining collateral where appropriate. The Company also deals with a large number of counterparties, thus limiting its exposure to any single counterparty. The Company monitors credit exposures to its OTC-bilateral counterparties by limiting transactions within specified dollar limits and adjusting transaction levels where appropriate, to minimize risk. All of the net credit exposure for the Company from derivatives transactions is with investment-grade counterparties. In addition, certain of the Company’s agreements require that if the Company’s (or its counterparty’s) credit rating were to fall below a specified rating assigned by a credit rating agency, the other party could request immediate payout on all transactions under the agreements or full collateralization of the positions thereunder. The Company's policy is to not offset amounts for derivatives executed with the same counterparty under the same master netting agreement with the associated collateral.

Collateralization plays a central role in the Company's mitigation of risk related to derivatives. For OTC-cleared and exchange traded derivatives, the Company obtains collateral through variation margin which is adjusted daily based on the parties' net derivative position.

For OTC-bilateral derivatives, the Company obtains collateral in accordance with the terms of credit support annexes (“CSAs”) negotiated as part of the master agreements entered into with most OTC-bilateral counterparties. CSAs define the terms under which collateral is transferred between the parties in order to mitigate credit risk arising from “in the money” derivative positions. The Variation Margin CSA requires that an OTC-bilateral counterparty post collateral to secure its anticipated derivative obligation, taking into account netting arrangements. Cash collateral received by the Company under Variation Margin CSAs is invested in short-term investments. The Company also enters into Initial Margin CSAs with many of its OTC-bilateral counterparties. These documents require additional margin to be posted to and collected from counterparties to OTC-bilateral derivatives to cover market movements over a ten day close-out period. This "initial margin" must be maintained at a third-party custodian, without any right of rehypothecation. Securities posted by the Company as collateral under derivative contracts continue to be reported as assets in the Company's Statutory Statements of Financial Position. Securities received as collateral under derivative contracts are not reported in the Company's Statutory Statements of Financial Position.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 7 - DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company may be exposed to credit-related losses in the event that an OTC-bilateral counterparty fails to perform its obligations under its contractual terms. In contractual arrangements with OTC-bilateral counterparties that do not include netting provisions, in the event of default, credit exposure is limited to the positive fair value of derivatives at the reporting date. In contractual arrangements with OTC-bilateral counterparties that include netting provisions, in the event of default, credit exposure is limited to the net fair value, if positive, of all derivatives at the reporting date. At December 31, 2025 and 2024, the Company held collateral for derivatives of \$808 million and \$942 million, respectively, including \$186 million and \$105 million, respectively, of securities. Fair value of derivatives in a net asset position, net of collateral, was \$5 million and \$8 million at December 31, 2025 and 2024, respectively.

Interest Rate Risk Management

The Company enters into interest rate derivatives primarily to minimize exposure to fluctuations in interest rates on assets and liabilities held by the Company.

Interest rate swaps are used by the Company to hedge interest rate risk for individual and portfolios of assets. Interest rate swaps are agreements with other parties to exchange, at specified intervals, the difference between interest amounts calculated by reference to an agreed upon notional value. Generally, no cash is exchanged at the onset of the contract and no principal payments are made by either party. The Company does not act as an intermediary or broker in interest rate swaps.

Interest rate (Treasury) futures are used by the Company to hedge reinvestment risk of the Company's fixed income portfolio. Interest rate futures are exchange traded contracts to buy or sell a bond at a specific price at a future date.

Interest rate options are used by the Company to hedge the risk of increasing interest rates on policyholder liabilities. These contracts include Interest Rate Caps and Swaptions. Interest Rate Caps allow the Company to receive payments from counterparties should an agreed upon interest rate level be reached. Interest Rate Swaptions give the Company an option, but not an obligation to take delivery of an interest rate swap at a predetermined fixed rate and tenor or to cash settle for value.

Currency Risk Management

The primary purpose of the Company's foreign currency hedging activities is to protect the value of foreign currency denominated assets from the risk of changes in foreign exchange rates.

Foreign currency swaps are agreements with other parties to exchange, at specified intervals, principal and interest in one currency for the same in another, at a fixed exchange rate, which is generally set at inception and calculated by reference to an agreed upon notional value. Generally, only principal payments are exchanged at the onset and the end of the contract.

Foreign currency forwards involve the exchange of foreign currencies at a specified future date and at a specified price. No cash is exchanged at the time the agreement is entered into.

Equity Risk Management

The Company purchases equity options and equity futures to minimize exposure to the equity risk associated with guarantees on certain underlying policyholder liabilities. There are upfront fees paid related to option contracts at the time the agreements are entered into.

The Company enters into total return swaps to hedge equity exposure in the general account portfolio.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 7 - DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT (continued)

Replication Transactions

Bond forwards are paired with other investment grade bonds in replication transactions to generate the return and price risk of long-dated fixed income securities.

Interest rate swaps are paired with floating rate bonds in replication transactions to generate the return and price risk of fixed rate coupon securities

Credit default swaps are paired with investment grade bonds in replication transactions to generate the return and price risk of long dated corporate bonds.

The following tables present the notional amount, gross fair value and carrying value of derivative instruments that are qualifying and designated for hedge accounting, by type of hedge designation, and those that are not designated for hedge accounting at December 31, 2025 and 2024 (in millions):

| Derivative Type | Primary Risk Exposure | Notional Amount ⁽¹⁾ | 2025 | | | |
|--|-----------------------|--------------------------------|---------------------------|---------------|-------------------------------|---------------|
| | | | Fair Value ⁽²⁾ | | Carrying Value ⁽³⁾ | |
| | | | Asset | Liability | Asset | Liability |
| Derivatives qualifying and designated: | | | | | | |
| Cash flow hedges: | | | | | | |
| Foreign currency swaps | Currency | \$ 231 | \$ 13 | \$ 6 | \$ 13 | \$ 8 |
| Interest rate swaps | Interest | 12 | 1 | — | — | — |
| Total cash flow hedges | | 242 | 13 | 6 | 13 | 8 |
| Fair value hedges: | | | | | | |
| Foreign currency swaps | Currency | 5,871 | 374 | 183 | 205 | 243 |
| Replications: | | | | | | |
| Bond forwards | Interest | — | — | — | — | — |
| Interest rate swaps | Interest | 1,905 | 9 | 1 | — | — |
| Credit default swaps | Interest | 706 | 11 | — | 7 | 1 |
| Total replications | | 2,611 | 20 | 1 | 7 | 1 |
| Total derivatives qualifying and designated | | 8,724 | 407 | 190 | 225 | 252 |
| Derivatives not designated: | | | | | | |
| Foreign currency forwards | Currency | 440 | — | 4 | — | 4 |
| Foreign currency swaps | Currency | 796 | 57 | 8 | 57 | 8 |
| Futures | Interest | 154 | — | — | — | — |
| Equity options | Equity | 48,294 | 498 | — | 498 | — |
| Interest rate options | Interest | 4,739 | 1 | — | 1 | — |
| Interest rate swaps | Interest | 10,136 | 207 | 123 | 207 | 123 |
| Bond forwards | Interest | — | — | — | — | — |
| Total derivatives not designated | | 64,559 | 764 | 136 | 764 | 136 |
| Total derivatives | | \$ 73,283 | \$ 1,171 | \$ 325 | \$ 989 | \$ 387 |

The Company owns warrants with a notional amount totaling \$0.6 million which have a market value and carrying value of \$0 at December 31, 2025

⁽¹⁾ Notional amount of derivative instruments provides a measure of involvement in these types of transactions and generally does not represent the amount exchanged between the parties engaged in the transaction.

⁽²⁾ For a discussion of valuation methods for derivative instruments refer to Note 9 - Fair Value Measurements.

⁽³⁾ The carrying value of derivatives in an asset position is reported within Other investments and the carrying value of derivatives in a liability position is reported within Other liabilities in the accompanying Statutory Statements of Financial Position.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 7 - DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT (continued)

| Derivative Type | Primary Risk Exposure | Notional Amount ⁽¹⁾ | 2024 | | | |
|--|-----------------------|--------------------------------|---------------------------|---------------|-------------------------------|---------------|
| | | | Fair Value ⁽²⁾ | | Carrying Value ⁽³⁾ | |
| | | | Asset | Liability | Asset | Liability |
| Derivatives qualifying and designated: | | | | | | |
| Cash flow hedges: | | | | | | |
| Foreign currency swaps | Currency | \$ 242 | \$ 21 | \$ 1 | \$ 26 | \$ 1 |
| Interest rate swaps | Interest | 262 | 1 | — | — | — |
| Total cash flow hedges | | 503 | 22 | 1 | 26 | 1 |
| Fair value hedges: | | | | | | |
| Foreign currency swaps | Currency | 4,920 | 511 | 29 | 424 | 12 |
| Bond forwards | Interest | — | — | — | — | — |
| Interest rate swaps | Interest | | | | | |
| Credit default swaps | Interest | 275 | 5 | — | 1 | — |
| Total replications | | 275 | 5 | — | 1 | — |
| Total derivatives qualifying and designated | | 5,698 | 538 | 30 | 451 | 13 |
| Derivatives not designated: | | | | | | |
| Foreign currency forwards | Currency | 342 | 15 | — | 15 | — |
| Foreign currency swaps | Currency | 542 | 80 | 4 | 80 | 4 |
| Futures | Interest | 16 | — | — | — | — |
| Equity options | Equity | 23,479 | 336 | — | 336 | — |
| Interest rate options | Interest | 4,915 | 13 | — | 13 | — |
| Interest rate swaps | Interest | 10,883 | 624 | 228 | 624 | 228 |
| Bond forwards | Interest | 225 | — | 27 | — | 27 |
| Total return swaps | Equity | — | — | — | — | — |
| Total derivatives not designated | | 40,401 | 1,068 | 259 | 1,068 | 259 |
| Total derivatives | | \$ 46,100 | \$ 1,606 | \$ 289 | \$ 1,519 | \$ 271 |

⁽¹⁾ Notional amount of derivative instruments provides a measure of involvement in these types of transactions and generally does not represent the amount exchanged between the parties engaged in the transaction.

⁽²⁾ For a discussion of valuation methods for derivative instruments refer to Note 9 - Fair Value Measurements.

⁽³⁾ The carrying value of derivatives in an asset position is reported within Other investments and the carrying value of derivatives in a liability position is reported within Other liabilities in the accompanying Statutory Statements of Financial Position.

Derivatives Qualifying and Designated

Cash Flow Hedges

The Company's cash flow hedges primarily include hedges of foreign currency denominated assets. Derivative instruments used in cash flow hedges that meet criteria indicating that they are highly effective are valued and reported in a manner that is consistent with the hedged asset.

The Company designates and accounts for the following qualified cash flow hedges: (1) interest rate swaps used to convert floating rate investments to fixed rate investments; (2) foreign currency swaps used to hedge the foreign currency cash flow exposure of foreign currency denominated investments.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 7 - DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT (continued)

The following table presents the effects of derivatives in cash flow hedging relationships for the years ended December 31, 2025, 2024 and 2023 (in millions):

| Derivative Type | Surplus ⁽¹⁾ | | | Net Realized Capital Gains (Losses) | | | Net Investment Income | | |
|------------------------|------------------------|--------------|----------------|-------------------------------------|-------------|-------------|-----------------------|-------------|-------------|
| | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
| Foreign currency swaps | \$ (20) | \$ 12 | \$ (12) | \$ (1) | \$ 1 | \$ 2 | \$ 2 | \$ 3 | \$ 3 |
| Interest rate swaps | — | — | — | — | — | — | — | (3) | — |
| Total | \$ (20) | \$ 12 | \$ (12) | \$ (1) | \$ 1 | \$ 2 | \$ 2 | \$ — | \$ 3 |

⁽¹⁾ The amount of gain (loss) recognized in surplus is reported as a Change in net unrealized losses on investments in the accompanying Statutory Statements of Changes in Surplus.

Fair Value Hedges

The Company's fair value hedges primarily consist of hedges of foreign currency denominated assets whereby the Company enters into foreign currency swaps to hedge its foreign currency exposure. Derivative instruments used in fair value hedges that meet criteria indicating that they are highly effective are valued and reported in a manner that is consistent with the hedged asset.

The Company excludes the cross-currency basis spread in its foreign currency swaps from the assessment of effectiveness as allowed under SSAP No. 86. The fair value of the cross-currency basis spread on the Company's foreign currency swaps, which was excluded from the assessment of effectiveness at December 31, 2025 was \$229 million.

| Derivative Type | Gain or (Loss) Recognized in Surplus ⁽¹⁾ | | | Gain or (Loss) Recognized in Net Realized Capital Gains (Losses) | | | Gain or (Loss) Recognized in Net Investment Income | | |
|------------------------|---|---------------|----------------|--|----------------|-------------|--|--------------|-------------|
| | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
| Foreign currency swaps | \$ (438) | \$ 102 | \$ (37) | \$ 8 | \$ (10) | \$ 1 | \$ 68 | \$ 63 | \$ 7 |
| Total | \$ (438) | \$ 102 | \$ (37) | \$ 8 | \$ (10) | \$ 1 | \$ 68 | \$ 63 | \$ 7 |

⁽¹⁾ The amount of gain (loss) recognized in surplus is reported as a Change in net unrealized losses on investments in the accompanying Statutory Statements of Changes in Surplus.

Derivatives Replications

The following table presents the effects of derivatives in replication relationships for the years ended December 31, 2025, 2024 and 2023 (in millions):

| Derivative Type | Gain or (Loss) Recognized in Surplus ⁽¹⁾ | | | Gain or (Loss) Recognized in Net Realized Capital Gains (Losses) | | | Gain or (Loss) Recognized in Net Investment Income | | |
|----------------------|---|-------------|-------------|--|-----------------|-----------------|--|-------------|-------------|
| | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
| Bond forwards | \$ — | \$ — | \$ — | \$ — | \$ (117) | \$ (227) | \$ — | \$ 1 | \$ 7 |
| Interest rate swaps | — | — | — | — | — | — | (6) | — | — |
| Credit default swaps | — | — | — | 3 | — | — | 4 | 2 | — |
| Total | \$ — | \$ — | \$ — | \$ 3 | \$ (117) | \$ (227) | \$ (2) | \$ 4 | \$ 7 |

⁽¹⁾ The amount of gain (loss) recognized in surplus is reported as a Change in net unrealized capital losses on investments in the accompanying Statutory Statements of Changes in Surplus.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 7 - DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT (continued)

Derivatives Not Designated

The following table summarizes the surplus and net income impact on derivative instruments not designated for the years ended December 31, 2025, 2024 and 2023 (in millions):

| Derivative Type | Surplus ⁽¹⁾ | | | Net Realized Capital Gains (Losses) | | | Net Investment Income | | |
|---------------------------|------------------------|--------------|-----------------|-------------------------------------|---------------|--------------|-----------------------|--------------|----------------|
| | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
| Equity options | \$ 46 | \$ 8 | \$ 61 | \$ 133 | \$ 101 | \$ 23 | \$ — | \$ — | \$ — |
| Foreign currency forwards | (18) | 15 | 6 | (12) | 4 | (12) | — | — | — |
| Foreign currency swaps | (38) | (2) | (293) | 6 | 16 | 42 | 6 | 7 | 52 |
| Futures | 1 | 7 | (8) | — | 10 | (11) | — | — | — |
| Interest rate options | — | (5) | (54) | (18) | (27) | (10) | — | 2 | 1 |
| Interest rate swaps | (310) | 68 | 152 | 154 | 2 | 6 | 40 | 58 | (102) |
| Bond forwards | 27 | (16) | (11) | (29) | — | — | — | — | — |
| Total return swaps | — | — | — | — | — | — | 21 | — | — |
| Total | \$ (293) | \$ 76 | \$ (146) | \$ 234 | \$ 105 | \$ 37 | \$ 67 | \$ 66 | \$ (48) |

⁽¹⁾ The amount of gain (loss) recognized in surplus is reported as a Change in net unrealized capital gains on investments in the accompanying Statutory Statements of Changes in Surplus.

NOTE 8 - SEPARATE ACCOUNTS

Separate Accounts Activity

The Company utilizes separate accounts to record and account for assets and liabilities for particular lines of business and/or transactions, including VUL insurance products guaranteed, VUL insurance products non-guaranteed, VA products non-guaranteed, UL insurance products guaranteed.

In accordance with the domiciliary state procedures for approving items within separate accounts, the classification of the separate accounts is subject to Section 2932 of the Delaware Insurance Code and the regulations thereunder. Assets of guaranteed separate accounts are invested in accordance with the provisions of Chapter 13 of the Delaware Insurance Code.

All items that were permitted for separate accounts reporting were supported by state statute.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 8 - SEPARATE ACCOUNTS (continued)

The assets legally and not legally insulated from the general account at December 31, 2025 and 2024 are attributed to the following products or transactions (in millions):

| Product/Transaction | 2025 | | 2024 | |
|---------------------------------------|--------------------------|---|--------------------------|---|
| | Legally Insulated Assets | Separate Accounts Assets (Not Legally Insulated) ⁽¹⁾ | Legally Insulated Assets | Separate Accounts Assets (Not Legally Insulated) ⁽²⁾ |
| VA products non-guaranteed | \$ 43,115 | 32 | 39,072 | 33 |
| VUL insurance products non-guaranteed | 18,461 | 5 | 14,924 | 8 |
| UL insurance products guaranteed | 6,113 | 82 | 5,922 | 167 |
| VUL insurance products guaranteed | 148 | 17 | 207 | 26 |
| Total | \$ 67,837 | \$ 136 | \$ 60,125 | \$ 234 |

⁽¹⁾ Separate accounts assets classified as not legally insulated support: \$100 million of remittances and items not allocated and other transfers to the general account due or accrued (net), \$17 million of surplus, \$13 million of derivatives, and \$6 million of other liabilities.

⁽²⁾ Separate accounts assets classified as not legally insulated support: \$190 million of remittances and items not allocated and other transfers to the general account due or accrued (net), \$19 million of surplus, \$13 million of derivatives, \$10 million of other liabilities, and \$2 million of payable for securities.

Guaranteed Separate Accounts

The Company maintains five book value guaranteed separate accounts for UL insurance policies and one book value guaranteed separate account for a private placement VUL policy. Total assets in these accounts were \$6,359 million and \$6,321 million at December 31, 2025 and 2024, respectively, and are included in the Company's asset adequacy testing. These accounts provide a guarantee of principal and interest, subject to a market value adjustment upon certain surrenders, and a transfer adjustment charge is imposed upon certain transfers. Interest rates on these contracts may be adjusted periodically. The assets of these separate accounts are stated at amortized cost up to the value of policyholder reserves, with any excess assets stated at fair value. Certain derivatives not qualifying for hedge accounting are stated at fair value. The book value separate accounts generally do not pass through all investment performance to policyholders, as certain investment limitations are imposed on the assets supporting these accounts, and no risk charges were paid to the general account during 2025 or 2024.

Non-Guaranteed Separate Accounts

The Company maintains non-guaranteed separate accounts for its VA and VUL products, some of which are registered with the SEC. Assets in non-guaranteed separate accounts were \$61,613 million and \$54,037 million at December 31, 2025 and 2024, respectively. The assets of these separate accounts represent investments in shares of New York Life Investments Funds Trust and other non-proprietary insurance-dedicated funds.

Certain of these variable contracts have guaranteed minimum death benefit ("GMDB") and guaranteed minimum accumulation benefit ("GMAB") features that are guaranteed by the assets of the general account.

To compensate the general account for the risk taken, the separate accounts have paid risk charges as follows for the past five years (in millions):

| Year | Amount |
|------|--------|
| 2025 | \$ 59 |
| 2024 | \$ 62 |
| 2023 | \$ 65 |
| 2022 | \$ 67 |
| 2021 | \$ 62 |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 8 - SEPARATE ACCOUNTS (continued)

The general account of the Company made payments toward separate accounts guarantees as follows for the past five years (in millions):

| Year | Amount |
|------|--------|
| 2025 | \$ 3 |
| 2024 | \$ 3 |
| 2023 | \$ 12 |
| 2022 | \$ 12 |
| 2021 | \$ 4 |

The general account holds reserves on these guarantees. Refer to Note 12 - Insurance Liabilities for discussion of GMAB and GMDB reserves.

Information regarding the separate accounts of the Company at and for the years ended December 31, 2025 and 2024 is as follows (in millions):

| | 2025 | | | |
|--------------------------------------|--|--|--|------------------|
| | Non-Indexed Guarantee Less than / Equal to 4% | Non-Indexed Guarantee More than 4% | Non- Guaranteed Separate Accounts | Total |
| Premiums, considerations or deposits | \$ 313 | \$ — | \$ 6,023 | \$ 6,336 |
| Reserves at 12/31: | | | | |
| For accounts with assets at: | | | | |
| Fair value | \$ — | \$ — | \$ 60,232 | \$ 60,232 |
| Amortized cost | 5,583 | 677 | — | 6,260 |
| Total reserves | <u>\$ 5,583</u> | <u>\$ 677</u> | <u>\$ 60,232</u> | <u>\$ 66,492</u> |
| By withdrawal characteristics: | | | | |
| With fair value adjustment | \$ 5,583 | \$ 677 | \$ — | \$ 6,260 |
| At fair value | — | — | 60,232 | 60,232 |
| Total reserves | <u>\$ 5,583</u> | <u>\$ 677</u> | <u>\$ 60,232</u> | <u>\$ 66,492</u> |
| | | | | |
| | 2024 | | | |
| | Non-Indexed Guarantee Less than / Equal to 4% | Non-Indexed Guarantee More than 4% | Non- Guaranteed Separate Accounts | Total |
| Premiums, considerations or deposits | \$ 14 | \$ — | \$ 3,472 | \$ 3,486 |
| Reserves at 12/31: | | | | |
| For accounts with assets at: | | | | |
| Fair value | \$ — | \$ — | \$ 52,743 | \$ 52,743 |
| Amortized cost | 5,398 | 731 | — | 6,129 |
| Total reserves | <u>\$ 5,398</u> | <u>\$ 731</u> | <u>\$ 52,743</u> | <u>\$ 58,872</u> |
| By withdrawal characteristics: | | | | |
| With fair value adjustment | \$ 5,398 | \$ 731 | \$ — | \$ 6,129 |
| At fair value | — | — | 52,743 | 52,743 |
| Total reserves | <u>\$ 5,398</u> | <u>\$ 731</u> | <u>\$ 52,743</u> | <u>\$ 58,872</u> |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 8 - SEPARATE ACCOUNTS (continued)

The following is a reconciliation of net transfers from the general account to the separate accounts (in millions):

| | <u>2025</u> | <u>2024</u> | <u>2023</u> |
|---|---------------|-------------------|-----------------|
| Transfers to separate accounts | \$ 6,338 | \$ 3,486 | \$ 3,046 |
| Transfers from separate accounts | (5,571) | (5,100) | (3,694) |
| Net transfers (from)/to separate accounts | <u>\$ 767</u> | <u>\$ (1,614)</u> | <u>\$ (648)</u> |

NOTE 9 - FAIR VALUE MEASUREMENTS

The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by SSAP No. 100, "Fair Value Measurements". 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. This guidance establishes a framework for measuring fair value that includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are based on the inputs to the valuation as follows:

- Level 1** Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market. Active markets are defined as a market in which many transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2** Observable inputs other than level 1 prices, such as quoted prices in active markets for similar assets or liabilities; quoted prices in markets that are not active for identical or similar assets or liabilities, or other model driven inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Valuations are generally obtained from third-party pricing services for identical or comparable assets or liabilities or through the use of valuation methodologies using observable market inputs.
- Level 3** Instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions in pricing the asset or liability. Pricing may also be based upon broker quotes that do not represent an offer to transact. Prices are determined using valuation methodologies such as option pricing models, discounted cash flow models and other similar techniques. Non-binding broker quotes, which are utilized when pricing service information is not available, are reviewed for reasonableness based on the Company's understanding of the market, and are generally considered Level 3. To the extent the internally developed valuations use significant unobservable inputs, they are classified as Level 3.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 9 - FAIR VALUE MEASUREMENTS (continued)

Determination of Fair Value

The Company has an established and well-documented process for determining fair value. Security pricing is applied using a hierarchy approach whereby publicly available prices are first sought from nationally recognized third-party pricing services. For most private placement securities, the Company applies a matrix-based pricing methodology, which uses spreads derived from third-party benchmark bond indices. For private placement securities that cannot be priced through these processes, the Company uses internal models and calculations. All other securities are submitted to independent brokers for prices. The Company performs various analyses to ascertain that the prices represent fair value. Examples of procedures performed include, but are not limited to, back testing recent trades, monitoring trading volumes, and performing variance analysis of monthly price changes using different thresholds based on asset type. The Company also performs an annual review of all third-party pricing services. During this review, the Company obtains an understanding of the process and sources used by the pricing service to ensure that they maximize the use of observable inputs, the pricing service's frequency of updating prices, and the controls that the pricing service uses to ensure that their prices reflect market assumptions. The Company also selects a sample of securities and obtains a more detailed understanding from each pricing service regarding how they derived the price assigned to each security. Where inputs or prices do not reflect market participant assumptions, the Company will challenge these prices and apply different methodologies that will enhance the use of observable inputs and data. The Company may use non-binding broker quotes or internal valuations to support the fair value of securities that go through this formal price challenge process. At December 31, 2025, the Company had less than \$1 million price challenges on general account and separate account securities for what it received from third party pricing services. At December 31, 2024, the Company did not have any price challenges on general account and separate account securities for what it received from third party pricing service

In addition, the Company has a pricing committee that provides oversight over the Company's prices and fair value process for securities. The committee meets quarterly and is responsible for the review and approval of the Company's valuation procedures. The committee is also responsible for the review of pricing exception reports as well as the review of significant inputs used in the valuation of assets that are valued internally.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 9 - FAIR VALUE MEASUREMENTS (continued)

The following tables present the estimated fair value and carrying value of the Company's financial instruments at December 31, 2025 and 2024 (in millions):

| | 2025 | | | | | NAV as a Practical Expedient |
|---|-------------------|-------------------|------------------|------------------|------------------|------------------------------------|
| | Fair Value | Carrying Value | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | | | |
| Issuer Credit Obligations | \$ 71,780 | \$ 75,926 | \$ — | \$ 68,573 | \$ 3,207 | \$ — |
| Asset Backed Securities | 31,111 | 32,166 | — | 28,984 | 2,127 | — |
| Total Bonds | 102,891 | 108,092 | — | 97,557 | 5,334 | — |
| Preferred stocks | 229 | 229 | — | 229 | — | — |
| Common stocks ⁽¹⁾ | 627 | 627 | 560 | — | 26 | 41 |
| Mortgage loans | 19,901 | 20,230 | — | — | 19,901 | — |
| Cash, cash equivalents and short-term investments | 3,715 | 3,715 | 226 | 3,489 | — | — |
| Derivatives | 1,171 | 989 | — | 1,171 | — | — |
| Derivatives collateral | 107 | 107 | — | 107 | — | — |
| Other invested assets ⁽¹⁾ | 1,264 | 1,188 | — | 447 | 818 | — |
| Investment income due and accrued | 1,134 | 1,134 | — | 1,134 | — | — |
| Separate accounts assets | 67,556 | 67,955 | 57,567 | 4,765 | 1,164 | 4,060 |
| Total assets | \$ 198,595 | \$ 204,266 | \$ 58,353 | \$108,900 | \$ 27,241 | \$ 4,102 |
| Liabilities: | | | | | | |
| Deposit fund contracts: | | | | | | |
| Annuities certain | \$ 1,875 | \$ 1,896 | \$ — | \$ — | \$ 1,875 | \$ — |
| Derivatives | 325 | 387 | — | 325 | — | — |
| Derivatives collateral | 725 | 725 | — | 725 | — | — |
| Amounts payable under securities lending agreements | 1,003 | 1,003 | — | 1,003 | — | — |
| Payable to parent and affiliates | 186 | 186 | — | 186 | — | — |
| Separate accounts liabilities | 16 | 13 | — | 16 | — | — |
| Total liabilities | \$ 4,130 | \$ 4,210 | \$ — | \$ 2,255 | \$ 1,875 | \$ — |

⁽¹⁾Excludes investments accounted for under the equity method.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 9 - FAIR VALUE MEASUREMENTS (continued)

| | 2024 | | | | | |
|---|-------------------|-------------------|------------------|-----------------|------------------|------------------------------|
| | Fair Value | Carrying Value | Level 1 | Level 2 | Level 3 | NAV as a Practical Expedient |
| Assets: | | | | | | |
| Bonds | \$ 94,516 | \$ 102,133 | \$ 562 | \$89,173 | \$ 4,780 | \$ — |
| Preferred stocks | 43 | 43 | — | 15 | 28 | — |
| Common stocks ⁽¹⁾ | 732 | 732 | 707 | — | 25 | — |
| Mortgage loans | 16,595 | 17,450 | — | — | 16,595 | — |
| Cash, cash equivalents and short-term investments | 3,363 | 3,363 | 141 | 3,222 | — | — |
| Derivatives | 1,606 | 1,519 | — | 1,606 | — | — |
| Derivatives collateral | 101 | 101 | — | 101 | — | — |
| Other invested assets ⁽¹⁾ | 606 | 576 | — | 142 | 464 | — |
| Investment income due and accrued | 1,031 | 1,031 | — | 1,031 | — | — |
| Separate accounts assets | 59,746 | 60,342 | 51,777 | 4,506 | 1,133 | 2,329 |
| Total assets | <u>\$ 178,339</u> | <u>\$ 187,290</u> | <u>\$ 53,187</u> | <u>\$99,796</u> | <u>\$ 23,026</u> | <u>\$ 2,329</u> |
| Liabilities: | | | | | | |
| Deposit fund contracts: | | | | | | |
| Annuities certain | \$ 1,582 | \$ 1,625 | \$ — | \$ — | \$ 1,582 | \$ — |
| Derivatives | 289 | 271 | — | 289 | — | — |
| Derivatives collateral | 1,241 | 1,241 | — | 1,241 | — | — |
| Amounts payable under securities lending agreements | 1,004 | 1,004 | — | 1,004 | — | — |
| Payable to parent and affiliates | 170 | 170 | — | 170 | — | — |
| Separate accounts liabilities | 16 | 13 | — | 16 | — | — |
| Total liabilities | <u>\$ 4,301</u> | <u>\$ 4,324</u> | <u>\$ —</u> | <u>\$ 2,719</u> | <u>\$ 1,582</u> | <u>\$ —</u> |

⁽¹⁾Excludes investments accounted for under the equity method.

Bonds

For U.S. SAP, bonds reported as Level 1 represent investments in certain SVO approved ETF and mutual funds. Valuation of these securities is based on unadjusted quoted prices in active markets that are readily and regularly available. All other ETFs and mutual funds are classified and accounted for as common stock.

Securities priced using a pricing service are generally classified as Level 2. Third-party pricing services generally use an income-based valuation approach by using a discounted cash-flow model or it may also use a market approach by looking at recent trades of a specific security to determine fair value on public securities or a combination of the two. Typical inputs used by these pricing services include, but are not limited to: benchmark yields, reported trades, issuer spreads, bids, offers, benchmark securities, estimated cash flows and prepayment speeds, which the Company has determined are observable inputs.

Private placement securities are primarily priced using a market approach such as a matrix-based pricing methodology, which uses spreads derived from third-party benchmark bond indices. Specifically, the Barclays Investment Grade Corporate Index is used for investment-grade securities and the Citi High Yield Cash Index is used for below investment-grade securities. These indices are two widely recognized, reliable and well regarded benchmarks by participants in the financial services industry, which represent the broader U.S. public bond markets. The spreads derived from each matrix are adjusted for liquidity. The liquidity premium is standardized and based on market transactions. These securities are classified as Level 2.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 9 - FAIR VALUE MEASUREMENTS (continued)

Certain private placement securities that cannot be priced using the matrix pricing described above, are priced by an internally developed discounted cash flow model or are priced based on internal calculations. The model uses observable inputs with a discount rate based off spreads of comparable public bond issues, adjusted for liquidity, rating and maturity. The Company assigns a credit rating for private placement securities based upon internal analysis. The liquidity premium is usually based on market transactions. These securities are classified as Level 2.

For some of the private placement securities priced through the model, the liquidity adjustments may not be based on market data, but rather, calculated internally. If the impact of the liquidity adjustment, which usually requires the most judgment, is not significant to the overall value of the security, the security is still classified as Level 2. If it is deemed to be significant, the security is classified as Level 3.

The valuation techniques for most Level 3 bonds are generally the same as those described in Level 2. However, if the investments are less liquid or are lightly traded, there is generally less observable market data, and therefore these investments will be classified as Level 3. Circumstances where observable market data are not available may include events such as market illiquidity and credit events related to the security. In addition, certain securities are priced based upon internal valuations using significant unobservable inputs. If a security could not be priced by a third-party vendor or through internal pricing models, broker quotes are received and reviewed by each investment analyst. These inputs may not be observable. Therefore, Level 3 classification is determined to be appropriate.

Included in bonds are affiliated bonds from MCF and NYL Investments. The affiliated bond from MCF which had a carrying value of \$2,690 million and a fair value of \$2,790 million at December 31, 2025, and a carrying value of \$2,269 million and a fair value of \$2,289 million at December 31, 2024. The fair value of this security is calculated internally and may include inputs that may not be observable. Therefore, this security is classified as Level 3. Also included in bonds is an affiliated bond from NYL Investments which had a carrying value of \$762 million and fair value of \$760 million at December 31, 2025, and a carrying value of \$762 million and a fair value of \$756 million at December 31, 2024. The fair value of this security is calculated internally using observable inputs and is therefore classified as Level 2.

Preferred Stocks

Preferred stocks valued using prices from third-party pricing services generally use a discounted cash flow model or a market approach to arrive at the security's fair value and are classified as Level 2. Preferred stocks classified as Level 3 are valued based on internal valuations where significant inputs are deemed to be unobservable.

Common Stocks

These securities are comprised of exchange traded U.S. and foreign common stock and mutual funds. The fair value of these securities is primarily based on unadjusted quoted prices in active markets that are readily and regularly available and are classified as Level 1. Common stocks that do not trade in an active market and are valued based on prices obtained from independent pricing vendors using unadjusted quoted prices in active markets for similar securities that are readily and regularly available are classified as level 2. Common stocks priced through an internal valuation where significant inputs are deemed to be unobservable, including securities issued by government organizations where fair value is fixed, are classified as Level 3. For common stocks that do not have a readily available fair value, net asset value ("NAV") is used as a practical expedient.

Mortgage Loans

The estimated fair value of mortgage loans is determined using an income approach, based upon the present value of the expected cash flows discounted at a market yield using an internally calculated spread. The spread is based on management's judgment and assumptions, which takes into account matters such as property type, LTV and remaining term of each loan, etc. The spread is a significant component of the pricing inputs, and therefore, these investments are classified as Level 3.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 9 - FAIR VALUE MEASUREMENTS (continued)

Cash, Cash Equivalents, Short-term Investments and Investment Income Due and Accrued

Cash on hand and money market mutual funds are classified as Level 1. Cash overdrafts (i.e. outstanding checks) are classified as Level 2. Due to the short-term maturities of cash equivalents, short term investments, and investment income due and accrued, carrying value approximates fair value and is classified as Level 2.

Derivatives (including Separate Accounts Liabilities – Derivatives)

The fair value of derivative instruments is generally derived using valuation models that use an income approach, except for derivatives that are exchange-traded, which are valued using quoted prices in an active market. Where valuation models are used, the selection of a particular model depends upon the contractual terms of, and specific risks inherent in the instrument, as well as the availability of pricing information in the market. The Company generally uses similar models to value similar instruments. Valuation model inputs include contractual terms, yield curves, foreign exchange rates, equity prices, credit curves, measures of volatility and other factors. Exchange-traded derivatives are valued using a market approach as fair value is based on quoted prices in active market and are classified as Level 1. OTC derivatives that trade in liquid markets, where model inputs are observable for substantially the full term, are classified as Level 2. Derivatives that are valued based upon models with any significant unobservable market inputs or inputs from less actively traded markets, or where the fair value is solely derived using broker quotations, are classified as Level 3.

Derivatives Collateral (including Separate Accounts Liabilities - Collateral)

The carrying value of these instruments approximates fair value since these assets and liabilities are generally short-term in nature and are classified as Level 2.

Other Invested Assets

Other invested assets are principally comprised of tax credit investments, surplus notes, capital notes, single asset single borrower commercial mortgage backed securities, affiliated loans, residual tranches of securitizations and other investments with characteristics of debt. Surplus notes, capital notes and single asset single borrower commercial mortgage backed securities are valued using prices from third-party pricing services that generally use a discounted cash-flow model or a market approach to arrive at the security's fair value and are classified as Level 2. The fair value of affiliated loans and the tax credit investments is derived using an income valuation approach, which is based on a discounted cash flow calculation using a discount rate that is determined internally and therefore classified as Level 3. The fair value of the majority of the other investments with debt characteristics and the majority of the residual tranches of securitizations is derived using an income valuation approach, which is based on a discounted cash flow calculation that may or may not use observable inputs and therefore is classified as Level 3.

Separate Accounts Assets (including Collateral)

Separate accounts assets reported as Level 1 in the fair value hierarchy are mostly comprised of ETFs, common stocks and actively traded open-end mutual funds with a daily NAV. The NAV can be observed by redemption and subscription transactions between third parties, or may be obtained from third-party asset managers. Common stocks are generally traded on an exchange. Separate accounts assets reported as Level 2 relate to investments in U.S. government and treasury securities, corporate bonds and mortgage-backed securities. These separate accounts assets are valued and assigned within the fair value hierarchy, consistent with the methodologies described herein for similar financial instruments held within the general account of the Company.

Separate accounts assets reported as Level 3 relate to investments in corporate bonds. These are instruments whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 9 - FAIR VALUE MEASUREMENTS (continued)

The following tables provide additional information for investments that are measured using NAV as a practical expedient to estimate fair value, as allowed under authoritative guidance, for investments that meet specified criteria (in millions):

| 2025 | | | | | |
|------------------------|------------------------|-----------------|----------------------|--|--------------------------|
| Category of Investment | Investment Strategy | NAV | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
| Hedge Fund | Multi-Strategy | 3,041 | — | Monthly, Quarterly, Semi Annually and Annually | 180 days or less |
| Hedge Fund | Fixed Income Arbitrage | 81 | — | Quarterly | 100 days or less |
| Hedge Fund | Long/Short Equity | 8 | — | Monthly | 30 days |
| Private Equity | Venture Capital | 930 | — | Quarterly | 95 days |
| Mutual Fund | Private Credit | 41 | — | Quarterly | 6 months |
| | | <u>\$ 4,102</u> | <u>\$ —</u> | | |

| 2024 | | | | | |
|------------------------|------------------------|-----------------|----------------------|--|--------------------------|
| Category of Investment | Investment Strategy | NAV | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
| Hedge Fund | Multi-Strategy | \$ 2,025 | \$ — | Monthly, Quarterly, Semi Annually and Annually | 180 days or less |
| Hedge Fund | Fixed Income Arbitrage | 65 | — | Quarterly | 100 days or less |
| Hedge Fund | Long/Short Equity | 6 | — | Monthly | 30 days |
| Private Equity | Venture Capital | 233 | — | Quarterly | 95 days |
| | | <u>\$ 2,329</u> | <u>\$ —</u> | | |

Annuities Certain

Fair values for annuities certain liabilities are estimated using discounted cash flow calculations based on interest rates currently being offered for similar contracts with maturities consistent with those remaining for the contracts being valued.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 9 - FAIR VALUE MEASUREMENTS (continued)

The following tables present the balances of assets and liabilities measured at fair value at December 31, 2025 and 2024 (in millions):

| | 2025 | | | | Total |
|--|---|--|--|------------------------------------|------------------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | NAV as a Practical Expedient | |
| Assets at fair value | | | | | |
| Bonds | | | | | |
| Issuer Credit Obligations | \$ — | \$ 3 | \$ 1 | \$ — | \$ 4 |
| Asset Backed Securities | — | 16 | — | — | 16 |
| Total bonds | — | 19 | 1 | — | 20 |
| Preferred stocks | — | 229 | — | — | 229 |
| Common stocks | 560 | — | 26 | 41 | 627 |
| Derivatives | — | 764 | — | — | 764 |
| Separate accounts assets | 57,553 | 8 | — | 4,060 | 61,621 |
| Other invested assets | — | 49 | 56 | — | 105 |
| Total assets at fair value | <u>\$ 58,113</u> | <u>\$ 1,069</u> | <u>\$ 83</u> | <u>\$ 4,102</u> | <u>\$ 63,365</u> |
| Liabilities at fair value | | | | | |
| Derivatives | \$ — | \$ 135 | \$ — | \$ — | \$ 135 |
| Separate accounts liabilities - derivatives ⁽¹⁾ | — | 1 | — | — | 1 |
| Total liabilities at fair value | <u>\$ —</u> | <u>\$ 136</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 136</u> |

⁽¹⁾ Separate account contract holder liabilities are not included in the table as they are reported at contract value and not fair value in the Company's statutory financial statements.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 9 - FAIR VALUE MEASUREMENTS (continued)

| | 2024 | | | | |
|--|---|--|--|------------------------------------|------------------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | NAV as a Practical Expedient | Total |
| Assets at fair value | | | | | |
| Bonds | | | | | |
| SVO-identified bond ETF | \$ 562 | \$ — | \$ — | \$ — | \$ 562 |
| U.S. corporate | — | 10 | — | — | 10 |
| Foreign corporate | — | 3 | — | — | 3 |
| Non-agency RMBS | — | — | — | — | — |
| Non-agency CMBS | — | 23 | — | — | 23 |
| Non-agency ABS | — | — | — | — | — |
| Total bonds | 562 | 36 | — | — | 599 |
| Preferred stocks | — | 15 | 28 | — | 43 |
| Common stocks | 707 | — | 25 | — | 732 |
| Derivatives | — | 1,068 | — | — | 1,068 |
| Separate accounts assets | 51,708 | 8 | — | 2,329 | 54,045 |
| Other invested assets | — | — | 73 | — | 73 |
| Total assets at fair value | <u>\$ 52,978</u> | <u>\$ 1,127</u> | <u>\$ 127</u> | <u>\$ 2,329</u> | <u>\$ 56,561</u> |
| Liabilities at fair value | | | | | |
| Derivatives | \$ — | \$ 259 | \$ — | \$ — | \$ 259 |
| Separate accounts liabilities - derivatives ⁽¹⁾ | — | 1 | — | — | 1 |
| Total liabilities at fair value | <u>\$ —</u> | <u>\$ 260</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 260</u> |

⁽¹⁾ Separate accounts contract holder liabilities are not included in the table as they are reported at contract value and not fair value in the Company's statutory financial statements.

The tables below presents a rollforward of Level 3 assets and liabilities for the years ended December 31, 2025 and 2024 (in millions):

| | 2025 | | | | | | | | | |
|---------------------------|-------------------|------------------------------|--------------------------------|--|---|--------------|-------------|---------------|-------------|---------------------|
| | Balance at 1/1 | Transfers into Level 3 | Transfers out of Level 3 | Total Gains (Losses) Included in Net Income | Total Gains (Losses) Included in Surplus | Purchases | Issuances | Sales | Settlements | Balance at 12/31 |
| Bonds: | | | | | | | | | | |
| Issuer Credit Obligations | — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 1 |
| Asset Backed Securities | — | — | — | — | — | — | — | — | — | — |
| Total bonds | — | — | — | — | — | — | — | — | — | 1 |
| Preferred Stocks | 28 | — | (28) | — | — | — | — | — | — | — |
| Common stocks | 25 | 1 | — | — | — | — | — | (1) | — | 26 |
| Derivatives | — | — | — | — | — | — | — | — | — | — |
| Separate accounts assets | — | — | — | — | — | — | — | — | — | — |
| Other invested assets | 73 | — | (23) | (10) | — | 16 | — | — | — | 56 |
| Total | <u>\$ 127</u> | <u>\$ 1</u> | <u>\$ (51)</u> | <u>\$ (10)</u> | <u>\$ 0</u> | <u>\$ 16</u> | <u>\$ —</u> | <u>\$ (1)</u> | <u>\$ —</u> | <u>\$ 83</u> |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 9 - FAIR VALUE MEASUREMENTS (continued)

| | 2024 | | | | | | | | | |
|-----------------------------|-------------------|------------------------------|--------------------------------|--|---|--------------|-------------|----------------|-------------|---------------------|
| | Balance at 1/1 | Transfers into Level 3 | Transfers out of Level 3 | Total Gains (Losses) Included in Net Income | Total Gains (Losses) Included in Surplus | Purchases | Issuances | Sales | Settlements | Balance at 12/31 |
| Bonds: | | | | | | | | | | |
| U.S. corporate | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Non-agency ABS | — | 1 | — | — | — | — | — | — | — | — |
| Total bonds | — | 1 | — | — | — | — | — | — | — | — |
| Preferred stocks | 28 | — | — | — | — | — | — | — | — | 28 |
| Common stocks | 25 | — | — | — | — | — | — | — | — | 25 |
| Derivatives | — | — | — | — | — | — | — | — | — | — |
| Separate accounts assets | — | — | — | — | — | — | — | — | — | — |
| Other invested assets | 158 | 9 | (9) | (16) | 10 | 13 | — | (92) | — | 73 |
| Total | <u>\$ 211</u> | <u>\$ 10</u> | <u>\$ (9)</u> | <u>\$ (16)</u> | <u>\$ 10</u> | <u>\$ 13</u> | <u>\$ —</u> | <u>\$ (92)</u> | <u>\$ —</u> | <u>\$ 126</u> |

Transfers Between Levels

Transfers between levels may occur due to changes in valuation sources, or changes in the availability of market observable inputs, which generally are caused by changes in market conditions such as liquidity, trading volume or bid-ask spreads, or as a result of a security measured at amortized cost at the beginning of the period, but measured at estimated fair value at the end of the period, or vice versa due to a ratings downgrade or upgrade.

Transfers into and out of Level 3

The Company's basis for transferring assets and liabilities into and out of Level 3 is based on changes in the observability of data, a change in the security's measurement.

Transfers into Level 3 totaled \$1 million for the year ended December 31, 2025 primarily due to a change in the price source for common stocks resulting from a corporate action. Transfers out of Level 3 totaled \$51 million for the same period, consisting of \$28 million related to the conversion of preferred stocks to common stocks, which resulted in a transfer to level 1, and an additional \$23 million related to other invested assets that were measured at fair value at the beginning of the period and measured at amortized cost at the end of the period.

Transfers into Level 3 totaled \$9 million for the year ended December 31, 2024 which primarily relates to residual tranches of securitization that were measured at amortized cost at the beginning of the period and measured at fair value at the end of the period and \$1 million of non-agency asset backed securities that were measured at amortized cost at the beginning of the period and measured at fair value at the end of the period. Transfers out of level 3 totaled \$9 million for the year ended December 31, 2024 which primarily relates to residual tranches of securitizations measured at fair value at the beginning of the period and measured at amortized cost at the end of the period.

There were no liabilities measured at fair value at December 31, 2025 and 2024.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 10 - INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES

The components of net investment income for the years ended December 31, 2025, 2024, and 2023 were as follows (in millions):

| | 2025 | 2024 | 2023 |
|--|-----------------|-----------------|-----------------|
| Bonds | \$ 4,824 | \$ 4,476 | \$ 4,091 |
| Common and preferred stocks | 24 | 16 | 33 |
| Mortgage loans | 1,000 | 809 | 757 |
| Policy loans | 58 | 56 | 53 |
| Other invested assets ¹ | 217 | 170 | 419 |
| Short-term investments | 151 | 150 | 156 |
| Derivative instruments | 135 | 133 | (30) |
| Gross investment income | 6,410 | 5,809 | 5,479 |
| Investment expenses | (289) | (307) | (266) |
| Net investment income | 6,121 | 5,502 | 5,213 |
| Net gain from separate accounts | 55 | 46 | 60 |
| Amortization of IMR | (38) | (28) | 3 |
| Net investment income, including net gain from separate accounts and amortization of IMR | <u>\$ 6,138</u> | <u>\$ 5,520</u> | <u>\$ 5,276</u> |

⁽¹⁾ Includes real estate net investment income of \$17 million, \$17 million, and \$17 million for the years ended December 31, 2025, 2024, and 2023, respectively. Includes dividend received from MCF of \$131 million, \$98 million, and \$345 million for the years ended December 31, 2025, 2024, and 2023, respectively. Refer to Note 11 – Related Party Transactions.

Due and accrued investment income is excluded from surplus when amounts are over 90 days past due or collection is uncertain. At December 31, 2025 and 2024, the Company reported admitted due and accrued investment income of \$1,134 million and \$1,031 million, respectively. At December 31, 2025 the company had \$6 million of nonadmitted due and accrued investment income on bonds. At December 31, 2024 the Company did not have any nonadmitted due and accrued investment income on bonds. For certain fixed income instruments, the contractual agreement allows the issuer/borrower to defer interest (Paid-in-Kind interest). When interest is deferred, it is capitalized into principal. At December 31, 2025, the Company had paid-in-kind interest of \$428 million, which has been included in the principal amount of the Company's bonds of \$387 million and mortgage loans of \$42 million.

The following table shows the Company's securities redeemed or otherwise disposed of as a result of a callable feature (including make whole call provisions) or tender and the amount of investment income generated as a result of a prepayment penalty and/or acceleration fee (\$ in millions):

| | 2025 | | 2024 | | 2023 | |
|-------------------|--------------------------------------|-------------------------|--------------------------------------|-------------------------|--------------------------------------|-------------------------|
| | General Account⁽¹⁾ | Separate Account | General Account⁽¹⁾ | Separate Account | General Account⁽¹⁾ | Separate Account |
| Number of cusips | 91 | 23 | 88 | 30 | 30 | 11 |
| Investment income | \$ 24 | \$ — | \$ 5 | \$ — | \$ 4 | \$ 1 |

⁽¹⁾ Included in the net investment income on bonds. Refer to net investment income table above.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 10 - INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES (continued)

For the years ended December 31, 2025, 2024, and 2023, net realized capital gains (losses) were as follows (in millions):

| | <u>2025</u> | <u>2024</u> | <u>2023</u> |
|---|---------------|----------------|---------------|
| Bonds | \$ (112) | \$ (221) | \$ (167) |
| Mortgage loans | (12) | (161) | (3) |
| Common and preferred stocks | 137 | 75 | 305 |
| Other invested assets | (23) | (26) | (61) |
| Derivatives | <u>243</u> | <u>(21)</u> | <u>(186)</u> |
| Net realized capital gains/(losses) before tax and transfers to the IMR | 234 | (354) | (112) |
| Less: | | | |
| Capital gains tax expense/(benefit) | 58 | (54) | (41) |
| Net realized capital gains/losses after tax transferred to IMR | <u>50</u> | <u>(229)</u> | <u>(259)</u> |
| Net realized capital gains/(losses) after tax and transfers to the IMR | <u>\$ 126</u> | <u>\$ (71)</u> | <u>\$ 188</u> |

Proceeds from investments in bonds sold were \$11,477 million, \$6,477 million, and \$3,342 million for the years ended December 31, 2025, 2024, and 2023, respectively. Gross gains of \$104 million, \$52 million, and \$19 million in 2025, 2024 and 2023, respectively, and gross losses of \$148 million, \$210 million, and \$130 million in 2025, 2024, and 2023, respectively, were realized on these sales. The Company computes gains and losses on sales under the specific identification method.

The following table provides a summary of OTTI losses included as realized capital losses for the years ended December 31, 2025, 2024 and 2023 (in millions):

| | <u>2025</u> | <u>2024</u> | <u>2023</u> |
|-----------------------------|---------------|---------------|---------------|
| Bonds | \$ 73 | \$ 43 | \$ 22 |
| Common and preferred stocks | 1 | 4 | 33 |
| Other invested assets | 25 | 46 | 59 |
| Mortgage Loans | 12 | 161 | 3 |
| Total | <u>\$ 112</u> | <u>\$ 254</u> | <u>\$ 117</u> |

The Company restructured \$22 million and \$60 million debt securities and mortgage loans for the years ended December 31, 2025 and 2024, respectively with an associated \$3 million and \$32 million of OTTI.

Refer to Note 19 - Asset Backed Security Impairments for a list with each asset backed security at a CUSIP level where the present value of cash flows expected to be collected is less than the amortized cost basis during the current reporting period.

The following tables present the Company's gross unrealized losses and fair values for bonds and equity securities aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2025 and 2024 (in millions):

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 10 - INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES (continued)

| | 2025 | | | | | |
|---|---------------------|-------------------|----------------------|-------------------|------------------|----------------------------------|
| | Less than 12 Months | | 12 Months or Greater | | Total | |
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses ⁽¹⁾ |
| Bonds | | | | | | |
| Agency Commercial Mortgage-Backed Securities – Not/Partially Guaranteed (Not Exempt) | \$ — | \$ — | \$ 2 | \$ — | \$ 2 | \$ — |
| Agency Residential Mortgage-Backed Securities – Guaranteed (Exempt) | 60 | 11 | 1,733 | 293 | 1,793 | 304 |
| Agency Residential Mortgage-Backed Securities – Not/Partially Guaranteed (Not Exempt) | 194 | 25 | 2,866 | 283 | 3,060 | 308 |
| Bank Loans - Acquired (Unaffiliated) | 103 | 5 | 48 | 2 | 150 | 7 |
| Bonds Issued by Funds Representing Operating Entities (Unaffiliated) | 614 | 19 | 2,975 | 204 | 3,589 | 223 |
| Corporate Bonds (Affiliated) | 598 | 2 | — | — | 598 | 2 |
| Corporate Bonds (Unaffiliated) | 6,648 | 345 | 21,964 | 2,719 | 28,612 | 3,064 |
| Lease-Backed Securities – Full Analysis (Unaffiliated) | 226 | 3 | 912 | 45 | 1,138 | 48 |
| Lease-Backed Securities – Practical Expedient (Unaffiliated) | 212 | 1 | 408 | 31 | 620 | 31 |
| Municipal Bonds – General Obligations (Direct and Guaranteed) | 187 | 5 | 593 | 81 | 779 | 86 |
| Municipal Bonds – Special Revenues | 248 | 34 | 2,394 | 471 | 2,642 | 505 |
| Non-Agency – CLOs/CBOs/CDOs (Affiliated) | 20 | — | — | — | 20 | — |
| Non-Agency – CLOs/CBOs/CDOs (Unaffiliated) | 608 | 2 | 122 | 4 | 729 | 6 |
| Non-Agency Commercial Mortgage-Backed Securities (Unaffiliated) | 468 | 31 | 3,955 | 243 | 4,422 | 274 |
| Non-Agency Residential Mortgage-Backed Securities (Unaffiliated) | 88 | — | 883 | 163 | 971 | 164 |
| Non-U.S. Sovereign Jurisdiction Securities | 31 | 1 | 83 | 8 | 114 | 10 |
| Other Financial Asset-Backed Securities – Self-Liquidating (Unaffiliated) | 954 | 21 | 1,308 | 105 | 2,262 | 125 |
| Other Non-Financial Asset-Backed Securities – Practical Expedient (Unaffiliated) | 168 | 2 | 541 | 27 | 709 | 29 |
| Other U.S. Government Obligations (Not Exempt) | 1 | — | 8 | 1 | 9 | 1 |
| Project Finance Bonds Issued by Operating Entities (Unaffiliated) | 219 | 11 | 973 | 110 | 1,192 | 121 |
| Single Entity Backed Obligations (Unaffiliated) | 199 | 2 | 319 | 21 | 518 | 23 |
| U.S. Government Obligations (Exempt) | 39 | — | 1,195 | 1,020 | 1,234 | 1,020 |
| Total bonds | 11,884 | 521 | 43,280 | 5,831 | 55,164 | 6,351 |
| Equity securities (unaffiliated) | | | | | | |
| Common stocks | 85 | 6 | — | — | 85 | 6 |
| Preferred stocks | 177 | 2 | — | — | 177 | 2 |
| Total equity securities | 262 | 8 | — | — | 262 | 8 |
| Total | \$ 12,146 | \$ 529 | \$ 43,280 | \$ 5,831 | \$ 55,426 | \$ 6,360 |

⁽¹⁾ Includes unrealized losses related to NAIC 6 bonds of \$18 million.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 10 - INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES (continued)

| | 2024 | | | | | |
|---|---------------------|-------------------|----------------------|-------------------|------------------|----------------------------------|
| | Less than 12 Months | | 12 Months or Greater | | Total | |
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses ⁽¹⁾ |
| Bonds | | | | | | |
| U.S. governments | \$ 806 | \$ 95 | \$ 2,772 | \$ 1,318 | \$ 3,578 | \$ 1,412 |
| All other governments | 121 | 7 | 82 | 12 | 204 | 19 |
| U.S. Special Revenue and Special Assessment | 1,896 | 267 | 5,373 | 862 | 7,269 | 1,129 |
| Industrial and miscellaneous unaffiliated | 19,239 | 1,442 | 36,473 | 4,136 | 55,712 | 5,578 |
| Parent, subsidiaries, and affiliates ⁽²⁾ | 14 | — | 156 | 6 | 170 | 6 |
| Hybrid Securities | 13 | — | 190 | 9 | 203 | 9 |
| SVO identified Funds | — | — | 5 | — | 5 | — |
| Total bonds | 22,089 | 1,811 | 45,052 | 6,343 | 67,141 | 8,154 |
| Equity securities (unaffiliated) | | | | | | |
| Common stocks | 587 | 8 | 1 | — | 588 | 8 |
| Preferred stocks | — | — | — | — | — | — |
| Total equity securities | 587 | 8 | 1 | — | 588 | 8 |
| Total | \$ 22,676 | \$ 1,819 | \$ 45,053 | \$ 6,343 | \$ 67,729 | \$ 8,162 |

⁽¹⁾ Includes unrealized losses related to NAIC 6 bonds of \$28 million and less than a million of Bond ETF MTM losses included in the statutory carrying amount.

⁽²⁾ The unrealized losses include less than \$1 million of ABS investments that are managed by affiliates of the Company but have no credit risk exposure to those affiliates.

At December 31, 2025, the gross unrealized loss on bonds and equity securities was comprised of approximately 8,036 and 210 different securities, respectively, which are included in the table above. Of the total amount of bond unrealized losses, \$6,196 million or 98% is related to unrealized losses on investment grade securities and \$156 million or 2% is related to below investment grade securities. At December 31, 2024, the gross unrealized loss on bonds and equity securities was comprised of approximately 10,145 and 320 different securities, respectively, which are included in the table above. Of the total amount of bond unrealized losses, \$7,873 million, or 97%, is related to unrealized losses on investment grade securities and \$282 million, or 4%, is related to below investment grade securities. Investment grade is defined as a security having a credit rating from the NAIC of 1 or 2; a rating of Aaa, Aa, A or Baa from Moody's or a rating of AAA, AA, A or BBB from Standard & Poor's ("S&P"); or a comparable internal rating if an externally provided rating is not available.

The amount of gross unrealized losses for bonds where fair value had declined by 20% or more of the amortized cost, totaled \$3,281 million. The period of time that each of these securities has continuously been below amortized cost by 20% or more consists of \$246 million for less than 12 months and \$3,034 million for 12 months or greater. In accordance with the Company's impairment policy, the Company performed quantitative and qualitative analysis to determine if the decline was temporary. For those securities where the decline was considered temporary, the Company did not recognize an impairment when it had the ability and intent to hold until recovery.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 10 - INVESTMENT INCOME AND CAPITAL GAINS AND LOSSES (continued)

The change in unrealized capital gains (losses) for the years ended December 31, 2025, 2024 and 2023 were as follows (in millions):

| | Change in Unrealized Gains (Losses) | | | Change in Unrealized Foreign Exchange Gains (Losses) | | | Total Change in Unrealized Gains (Losses) | | |
|---|-------------------------------------|---------------|-----------------|--|-----------------|---------------|---|---------------|-----------------|
| | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 | 2025 | 2024 | 2023 |
| Bonds | \$ 11 | \$ (12) | \$ 27 | \$ 492 | \$ (210) | \$ 236 | \$ 503 | \$ (222) | \$ 263 |
| Preferred Stocks | (27) | — | (3) | — | — | — | (27) | — | (3) |
| Common stocks unaffiliated | (52) | — | (182) | 13 | (9) | 11 | (39) | (9) | (172) |
| Mortgage loans | (70) | 58 | (72) | 1 | — | — | (69) | 58 | (72) |
| Other invested assets | 185 | 139 | (144) | 28 | 8 | 2 | 213 | 148 | (142) |
| Cash, cash equivalents and short-term investments | — | — | — | — | (1) | 2 | — | (1) | 2 |
| Derivatives | (751) | 190 | (195) | — | — | — | (751) | 190 | (195) |
| Total change in unrealized on investments | (703) | 375 | (569) | 534 | (212) | 251 | (170) | 163 | (319) |
| Capital gains tax (benefit) expense | (52) | 6 | (50) | — | — | — | (52) | 6 | (50) |
| Total change in unrealized gains (losses), net of tax | <u>\$ (651)</u> | <u>\$ 369</u> | <u>\$ (519)</u> | <u>\$ 534</u> | <u>\$ (212)</u> | <u>\$ 251</u> | <u>\$ (118)</u> | <u>\$ 157</u> | <u>\$ (268)</u> |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 11 - RELATED PARTY TRANSACTIONS

Capital Contributions

For the years ended December 31, 2025, 2024, and 2023, the Company made no capital contribution to MCF.

Dividend Distributions

For the years ended December 31, 2025, 2024 and 2023, the Company received dividend distributions from MCF of \$131 million, \$98 million and \$345 million, respectively. For information on dividend payments made to New York Life, refer to Note 18 - Dividends to Stockholder.

Material Transactions

The following table presents material related party transactions between the Company, its parent, and its affiliates, for the years ended December 31, 2025 and 2024:

| Date of Transaction | Name of Related Party | Nature of Relationship | Type of Transaction | Description |
|--|---|--|----------------------------|---|
| Loans and Credit Agreements: | | | | |
| 8/15/2025 | New York Life Capital Corporation ("NYLCC") and New York Life | Non-insurance and insurance subsidiary | Revolving credit facility | The Company, NYLCC and NYLIC entered into a five-year \$2,250 million revolving credit facility (the "2025 Credit Facility") with a syndicate of lenders. The Company, NYLCC and NYLIC are borrowers under the 2025 Credit Facility. At December 31, 2025, the credit facility was not used and there was no outstanding balance. |
| 12/31/2015 (last amended as of 5/16/2025) | MCF | Non-insurance affiliate | Note funding agreement | The Company and New York Life entered into a note funding agreement with MCF (as amended from time to time, the "MCF Note Agreement") and acquired a variable funding note issued by MCF thereunder (the "Note"). The Note was reissued on December 31, 2022 due to the Company's transfer of a portion of its interest to Life Insurance Company of North America ("LINA"), a direct wholly owned subsidiary of New York Life. The Note is reported as a bond, with an outstanding balance, including accrued interest, for the Company of \$2,732 million and \$2,312 million at December 31, 2025 and 2024, respectively. The funding limit is determined using 2.25% multiplied by the cash and invested assets amount, as of such date of determination. Cash and invested assets amount means, as of any date of determination, the sum of (x) the net admitted cash and invested assets of the Company and LINA (y) the net admitted cash and invested assets of New York Life (excluding any portion thereof attributable to New York Life's investment in the Company) and LINA, in each case, based on the most recently available quarterly or annual financial statements of New York Life, LINA or the Company, as applicable. All outstanding advances made to MCF under the MCF Note Agreement will be due in full on December 31, 2035. |
| 12/23/2004 (last amended as of 12/30/2022) | NYLCC | Non-insurance affiliate | Revolving credit agreement | NYLCC has agreed to make loans to the Company in an amount up to, but not exceeding, \$3,500 million from proceeds from the issuance of commercial paper. During 2025 and 2024, the revolving credit facility was not used, no interest was paid and no outstanding balance was due. |
| 9/30/1993 (last amended on 12/30/2022) | New York Life | Parent | Revolving credit agreement | The Company has a revolving credit agreement with New York Life whereby the Company may borrow up to \$3,500 million. At December 31, 2025 and 2024, the Company has not borrowed under this agreement. |
| 4/1/1999 (last amended as of 12/30/2022) | New York Life | Parent | Revolving credit agreement | The Company has a revolving credit agreement with New York Life, whereby the Company may lend up to \$900 million. At December 31, 2025 and 2024, the credit facility was not used, no interest was paid and there was no outstanding balance. |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 11 - RELATED PARTY TRANSACTIONS (continued)

| Date of Transaction | Name of Related Party | Nature of Relationship | Type of Transaction | Description |
|---|---|-------------------------|--|--|
| Service Agreements: | | | | |
| 6/30/2008, as amended from time to time | NYLIFE Securities, LLC | Non-insurance affiliate | Service fee agreement | The Company pays NYLIFE Securities LLC a service fee for supervisory services based on a determined revenue factor based on sales and in-force business. |
| 4/27/2006 (amended from time to time) | NYLIFE Distributors, LLC. | Non-insurance affiliate | Variable product distribution agreement | The Company has appointed NYLIFE Distributors, LLC as the underwriter and/or wholesale distributor of the Company's variable products. For the years ended December 31, 2025 and 2024, the Company received service fees of \$46 million and \$43 million, respectively, under a 12b-1 Plan Services Agreement, in consideration for providing 12b-1 Plan services attributable to the variable products. |
| 4/1/2000, as amended from time to time | NYL Investors, LLC | Non-insurance affiliate | Investment advisory agreement | The Company is a party to an investment advisory agreement with NYL Investors, LLC, as amended from time to time, to receive investment advisory and administrative services from NYL Investors, LLC. The payments are required to be made within 90 days from the time of billing. |
| Various | New York Life | Parent | Participation in mortgage loans, Real estate owned and real estate | The Company's interests in commercial mortgage loans are primarily held in the form of participations in mortgages ^o originated or acquired by New York Life. A real estate property acquired through foreclosure is called REO Portfolio. The Company's interests in the ownership of REO Portfolio is called REO Ownership Interest. Certain real estate investments acquired may have similar ownership interests through a participation. Under the participation agreement for the mortgage loans, it is agreed between the Company and New York Life that the Company's proportionate interest (as evidenced by a participation certificate) in the underlying mortgage loan, including without limitation, the principal balance thereof, all interest which accrues thereon, and all proceeds generated therefrom, will be pari passu with New York Life's and pro rata based upon the respective amounts funded by New York Life and the Company in connection with the applicable mortgage loan origination or acquisition. Consistent with the participation arrangement, all mortgage loan documents name New York Life (and not both New York Life and the Company) as the lender but are held for the benefit of both the Company and New York Life pursuant to the applicable participation agreement. New York Life retains general decision making authority with respect to each mortgage loan, although certain decisions require the Company's approval. The Company's mortgage loans, REOs and certain real estate investments acquired through a participation from New York Life had a carrying value of \$18,501 million and \$16,885 million as of December 31, 2025 and 2024, respectively. There's no REO in the form of participations owned by the Company as of December 31, 2025 and 2024. |
| Amended and restated at 10/1/2022 | New York Life | Parent | Administration agreement | New York Life provides the Company with certain services and facilities, including, but not limited to, accounting, tax and audit services, legal services, actuarial services, electronic data processing operations and communications operations. New York Life charges the Company for the identified costs associated with these services and facilities under the terms of a service agreement between New York Life and the Company. For the years ended December 31, 2025 and 2024, the fees incurred associated with these services and facilities, amounted to \$1,089 million and \$1,024 million, respectively. These amounts need to be settled in cash within 90 days. |
| 1/1/2005 (amended 3/28/2014) | New York Life Investment Management LLC ("NYLIM") | Non-insurance affiliate | Administrative service agreement | NYLIM has a management agreement with the New York Life Investments VP Funds Trust, f/k/a MainStay VP Funds Trust ("the Fund"), a registered investment company whose shares are sold to various separate accounts of the Company. Under the terms of the agreement, NYLIM pays the Company administrative fees for providing services to the Fund. |
| Other Agreements: | | | | |
| Various | New York Life | Parent | Sale of corporate owned life insurance policies ("COLI") | The Company sold various COLI policies to New York Life for the purpose of informally funding certain benefits for New York Life employees and agents. These policies were issued on the same terms as policies sold to unrelated customers. At December 31, 2025 and 2024, policyholder reserve balances for these policies amounted to \$4,627 million and \$4,452 million, respectively, and were included in Policy reserves and Separate accounts liabilities in the accompanying Statutory Statements of Financial Position. |
| Various | New York Life | Parent | Structured settlement agreements | The Company has sold certain annuity contracts to New York Life in order that New York Life may satisfy its third-party obligations under certain structured settlement agreements. The Company has been directed by New York Life to make the payments under the annuity contracts directly to the beneficiaries under these structured settlement agreements. At December 31, 2025 and 2024, the policyholder reserves related to these contracts amounted to \$145 million and \$145 million, respectively, and are included in Policy reserves in the accompanying Statutory Statements of Financial Position. |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 11 - RELATED PARTY TRANSACTIONS (continued)

| Date of Transaction | Name of Related Party | Nature of Relationship | Type of Transaction | Description |
|----------------------------------|-----------------------|--------------------------|----------------------------------|--|
| Various | New York Life | Parent | Structured settlement agreements | The Company is the assumed obligor for certain structured settlement agreements with unaffiliated insurance companies, beneficiaries and other non-affiliated entities. To satisfy its obligations under these agreements, the Company owns all rights, title and interest in and to certain structured settlement annuity contracts issued by New York Life. The obligations are based upon the actuarially determined present value of expected future payments. Interest rates used in establishing such obligations ranged from 3.50% to 7.65%. The Company has directed New York Life to make the payments under the annuity contracts directly to the beneficiaries under the structured settlement agreements. At December 31, 2025 and 2024, the carrying value of the interest in annuity contracts and the corresponding obligations under structured settlement agreements amounted to \$12,355 million and \$11,428 million, respectively. |
| Various | New York Life | Parent | Premiums settlement agreement | The Company has an agreement in place with New York Life to settle premiums associated with the Company's products sold at field offices. These premiums are typically settled within 1-2 business days. The Company had a receivable of \$11 million and \$10 million, respectively, for the years ended December 31, 2025 and 2024. |
| 12/31/2024 | NYLIM | Non-insurance subsidiary | Note purchase agreement | The Company entered into a Note Purchase Agreement with NYLIM Holdings. On December 31, 2024, the Company purchased a \$600 million in aggregate principal amount of NYLIM Holdings 5.17% senior note due 2029. |
| 6/11/2012 | New York Life | Parent | Tenancy in common agreement | In connection with a \$150 million land acquisition of a fee simple estate in land underlying an office building and related improvements and encumbered by a ground lease located at 1372 Broadway, New York, NY by New York Life (73.8% interest) and the Company (26.2% interest), the Company and New York Life entered into a Tenancy in Common Agreement in which the agreement sets forth the terms that govern, in part, each entity's interest in the property. |
| Significant Transactions: | | | | |
| Various | NYLARC | Insurance Affiliate | Reinsurance agreement | The Company has reinsurance agreements with New York Life Agents Reinsurance Company ("NYLARC"). Additional details of this agreement are included in Note 13 "Reinsurance". |
| 12/31/2025 | NYLIM Holdings | Non-insurance subsidiary | Credit agreement | The Company entered into a revolving credit agreement with NYLIM Holdings whereby the Company may lend NYLIM Holdings up to \$200 million. On December 31, 2025, the Company made a \$162 million loan to NYLIM Holding at an annual interest rate of 4.78%. |
| 1/1/2025 | LINA | Insurance Affiliate | Reinsurance agreement | The Company has entered into a reinsurance agreement with LINA, whereby LINA reinsures on a coinsurance basis 100% of all policies issued by the Company associated with critical illness insurance, accidental indemnity insurance, and hospital indemnity insurance policies. The Company has ceded to LINA the morbidity risk and any other key risk in the policies. This agreement was effective January 1, 2025. |
| 9/26/2024 | New York Life | Insurance subsidiary | Transfer of assets | Bond asset and cash transfers between the Company and NYLIC were executed on September 26, 2024. The Company received \$468 million of cash from NYLIC in exchange for bonds. |
| 12/31/2022 | LINA | Insurance affiliate | Transfer of assets | Bond asset and cash transfers between the Company and LINA were executed to strengthen duration alignment between asset and liability profiles amongst the insurance companies. The Company acquired a \$250 million of bonds from LINA in exchange for transferring a \$250 million equity interest in MCF. |
| 12/31/2020 | LINA | Insurance Affiliate | Reinsurance agreement | The Company has an affiliated reinsurance agreement to reinsure mortality risk arising under LINA's group term life insurance business on a yearly renewable term basis. Additional details of this agreement are included in Note 13 "Reinsurance". |

At December 31, 2025 and 2024, the Company reported a net amount of \$130 million and \$129 million, respectively, as amounts payable to parent and affiliates. The terms of the underlying agreements generally require that these amounts be settled in cash within 90 days.

In the ordinary course of business, the Company enters into reinsurance agreements with its parent and affiliates. Material reinsurance agreements have been disclosed in Note 13 – Reinsurance. In addition, the Company may enter into guarantees and/or keep wells with its parent and affiliates. Material guarantee agreements and/or keep wells have been disclosed in Note 15 – Commitments and Contingencies.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 12 - INSURANCE LIABILITIES

Insurance liabilities at December 31, 2025 and 2024 were as follows (in millions):

| | 2025 | 2024 |
|--|-------------------|-------------------|
| Life insurance reserves | \$ 28,768 | \$ 28,669 |
| Annuity reserves and supplementary contracts with life contingencies | 94,953 | 88,494 |
| Asset adequacy and special reserves | — | 2 |
| Total policy reserves | 123,721 | 117,165 |
| Deposit funds | 2,250 | 1,968 |
| Policy claims | 1,119 | 1,112 |
| Total insurance liabilities | <u>\$ 127,090</u> | <u>\$ 120,245</u> |

Life Insurance Reserves

Reserves for life insurance policies are maintained principally using the 1958, 1980, 2001 and 2017 Commissioners' Standard Ordinary Mortality Tables and the 1958 Commissioners' Extended Term Mortality Table under the Commissioners' Reserve Valuation Method or Net Level Premium Reserve Method with valuation interest rates ranging from 3.0% to 6.0%. Reserves for universal life secondary guarantee products with multiple sets of cost of insurance are determined using the methodology outlined in the November 2011 Life Actuarial Task Force Statement. Reserves for policies issued in 2020 and later are determined based on principle-based standards as set forth in the NAIC Valuation Manual.

For the years ended December 31, 2025 and December 31, 2024, there were no changes in reserve basis for life insurance reserves.

The Company has established policy reserves on contracts issued January 1, 2001 and later that exceed the minimum amounts determined under Appendix A-820, "Minimum Life and Annuity Reserve Standards" of NAIC SAP by approximately \$66 million and \$64 million at December 31, 2025 and 2024, respectively.

At December 31, 2025 and 2024, the Company's liabilities for GMDB reserves, which are associated with certain variable life products, amounted to \$6 million and \$7 million, respectively, and were recorded in Policy reserves in the accompanying Statutory Statements of Financial Position.

Surrender values are promised in excess of life reserves on certain policies. This excess is included as part of miscellaneous reserves. No surrender values are promised in excess of any other reserves. Additional reserves are held on account of anticipated extra mortality for policies subject to extra premiums.

At December 31, 2025 and 2024, the Company had \$9,517 million and \$9,542 million, respectively, of insurance in-force for which the gross premiums were less than the net premiums according to the standard of valuation set by the state of Delaware. Reserves to cover the above insurance totaled the net amount of \$275 million and \$265 million in 2025 and 2024, respectively.

The tabular interest has been determined by formula as described in the NAIC instructions except for certain UL products for which tabular interest has been determined from the basic data for the calculation of policy reserves. The tabular cost less actual reserves released has been determined by formula as described in the NAIC instructions. The tabular cost has been determined by formula as described in the NAIC instructions.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 12 - INSURANCE LIABILITIES (continued)

Annuity Reserves and Supplementary Contracts with Life Contingencies

Reserves for single premium immediate annuities and guaranteed future income annuities are based principally on A2000, 2012 IAR and the Commissioners' Annuity Reserve Valuation Method ("CARVM"), with assumed interest rates ranging from 3.75% to 6.0%. Purchases in 2018 and later years are reserved with valuation interest rates satisfying both the Section 22 of the NAIC Valuation Manual requirements for maximum valuation interest rates for income annuities ("VM-22") and the NYSDFS Regulation 213 maximum valuation rate requirements, applying the 2012 IAR Table. The VM-22 rates range from 1.0% to 5.25%.

Reserves for fixed deferred annuities are based principally on 1971 Individual Annuity Mortality, 1983 Table A, A2000, 2012 IAR and CARVM, with assumed interest rates ranging from 1.5% to 10.0%. Reserves for variable deferred annuities are based principally on VM-21 and NYSDFS Regulation 213, where the VM-21 deficiencies are discounted applying scenario specific net asset earned rates ranging from 3.00% to 4.5%. For the index-linked account corresponding to a VA product, we also apply Actuarial Guideline XXXV, with assumed interest rates ranging from 3.0% to 5.25%. Generally, owners of the Company's deferred annuities are able, at their discretion, to withdraw funds from their policies. The withdrawals in excess of the surrender charge-free withdrawal amount may be subject to surrender charges in the early years.

At December 31, 2025 and 2024, the Company's liabilities for GMDB, GMAB, guaranteed future income benefit, and enhanced beneficiary benefits reserves, which are associated with VA products, amounted to \$381 thousand and \$2 million, respectively, and were recorded in Policy reserves in the accompanying Statutory Statements of Financial Position.

Effective September 30, 2025, the Department granted approval for the Company to change the reserve valuation basis for certain fixed deferred annuities with market value adjustments from NYSDFS Regulation 127 Plan Type C to Standard Valuation Law Plan Type B. Refer to Note 2 - Basis of Presentation, for more detailed information about the impact of this change.

For the year ended December 31, 2024, and thereafter, the Department granted approval for the Company to change the reserve valuation basis for the variable deferred annuities to VM-21. For the index-linked account corresponding to a variable annuity product, the Company still applies Actuarial Guideline XXXV. Refer to Note 2 - Basis of Presentation, for more detailed information about the impact of this change.

The tabular interest has been determined by formula as described in the NAIC instructions. The tabular cost less actual reserves released has been determined by formula as described in the NAIC instructions. The tabular cost has been determined by formula as described in the NAIC instructions.

Deposit Funds

Deposit funds at December 31, 2025 and 2024 were as follows (in millions):

| | <u>2025</u> | <u>2024</u> |
|---|-----------------|-----------------|
| Fixed period annuities | \$ 1,985 | \$ 1,625 |
| Supplemental contracts without life contingencies | 254 | 277 |
| Continued interest accounts | 11 | 11 |
| Total deposit funds | <u>\$ 2,250</u> | <u>\$ 1,913</u> |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 12 - INSURANCE LIABILITIES (continued)

Withdrawal Characteristics of Annuity Reserves and Deposit Funds

The following table reflects the withdrawal characteristics of annuity reserves and deposit fund liabilities at December 31, 2025 and 2024 (\$ in millions):

Individual Annuities

| | 2025 | | | | |
|---|----------------------------|--|--|-------------------|-----------------------|
| | General Account | Separate Accounts with Guarantees | Separate Accounts Non- guaranteed | Total | % of Total |
| Subject to discretionary withdrawal: | | | | | |
| With fair value adjustment | \$ 34,017 | \$ — | \$ — | \$ 34,017 | 25 % |
| At book value less current surrender charge of 5% or more | 21,710 | — | — | 21,710 | 16 |
| At fair value | — | — | 42,028 | 42,028 | 31 |
| Total with adjustment or at fair value | 55,727 | — | 42,028 | 97,755 | 72 |
| At book value without adjustment | 17,036 | — | — | 17,036 | 12 |
| Not subject to discretionary withdrawal | 25,051 | — | — | 25,051 | 18 |
| Total (gross:direct + assumed) | 97,814 | — | 42,028 | 139,842 | — |
| Reinsurance ceded | \$ 3,214 | \$ — | \$ — | \$ 3,214 | — % |
| Total | <u>\$ 94,600</u> | <u>\$ —</u> | <u>\$ 42,028</u> | <u>\$ 136,628</u> | <u>100 %</u> |
| Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year | | | | | |
| | \$ 2,817 | \$ — | \$ — | \$ 2,817 | |

| | 2024 | | | | |
|---|----------------------------|--|--|-------------------|-----------------------|
| | General Account | Separate Accounts with Guarantees | Separate Accounts Non- guaranteed | Total | % of Total |
| Subject to discretionary withdrawal: | | | | | |
| With fair value adjustment | \$ 29,055 | \$ — | \$ — | \$ 29,055 | 23 % |
| At book value less current surrender charge of 5% or more | 20,207 | — | — | 20,207 | 16 |
| At fair value | — | — | 38,030 | 38,030 | 30 |
| Total with adjustment or at fair value | 49,262 | — | 38,030 | 87,292 | 69 |
| At book value without adjustment | 16,098 | — | — | 16,098 | 13 |
| Not subject to discretionary withdrawal | 22,738 | — | — | 22,738 | 18 |
| Total | <u>\$ 88,098</u> | <u>\$ —</u> | <u>\$ 38,030</u> | <u>\$ 126,128</u> | <u>100 %</u> |
| Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year | | | | | |
| | \$ 4,403 | \$ — | \$ — | \$ 4,403 | |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 12 - INSURANCE LIABILITIES (continued)

Group Annuities

| | 2025 | | | | |
|---|----------------------------|--|--|---------------|-----------------------|
| | General Account | Separate Accounts with Guarantees | Separate Accounts Non- guaranteed | Total | % of Total |
| Subject to discretionary withdrawal: | | | | | |
| With fair value adjustment | \$ 12 | \$ — | \$ — | \$ 12 | 3 % |
| At book value less current surrender charge of 5% or more | — | — | — | — | — |
| At fair value | — | — | — | — | — |
| Total with adjustment or at fair value | 12 | — | — | 12 | 3 |
| At book value without adjustment | 25 | — | — | 25 | 7 |
| Not subject to discretionary withdrawal | 316 | — | — | 316 | 90 |
| Total | <u>\$ 353</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 353</u> | <u>100 %</u> |
| Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year | \$ — | \$ — | \$ — | \$ — | |

| | 2024 | | | | |
|---|----------------------------|--|--|---------------|-----------------------|
| | General Account | Separate Accounts with Guarantees | Separate Accounts Non- guaranteed | Total | % of Total |
| Subject to discretionary withdrawal: | | | | | |
| With fair value adjustment | \$ 17 | \$ — | \$ — | \$ 17 | 4 % |
| At book value less current surrender charge of 5% or more | — | — | — | — | — |
| At fair value | — | — | — | — | — |
| Total with adjustment or at fair value | 17 | — | — | 17 | 4 |
| At book value without adjustment | 29 | — | — | 29 | 7 |
| Not subject to discretionary withdrawal | 350 | — | — | 350 | 88 |
| Total | <u>\$ 396</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 396</u> | <u>100 %</u> |
| Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year | \$ — | \$ — | \$ — | \$ — | |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 12 - INSURANCE LIABILITIES (continued)

Deposit-Type Contracts

| | 2025 | | | | |
|---|--------------------|--|--|-----------------|---------------|
| | General Account | Separate Accounts with Guarantees | Separate Accounts Non- guaranteed | Total | % of Total |
| Subject to discretionary withdrawal: | | | | | |
| With fair value adjustment | \$ — | \$ — | \$ — | \$ — | — % |
| At book value less current surrender charge of 5% or more | — | — | — | — | — |
| At fair value | — | — | — | — | — |
| Total with adjustment or at fair value | — | — | — | — | — |
| At book value without adjustment | 203 | — | — | 203 | 9 |
| Not subject to discretionary withdrawal | 2,047 | — | — | 2,047 | 91 |
| Total | <u>\$ 2,250</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 2,250</u> | <u>100 %</u> |
| Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year | \$ — | \$ — | \$ — | \$ — | |

| | 2024 | | | | |
|---|--------------------|--|--|-----------------|---------------|
| | General Account | Separate Accounts with Guarantees | Separate Accounts Non- guaranteed | Total | % of Total |
| Subject to discretionary withdrawal: | | | | | |
| With fair value adjustment | \$ — | \$ — | \$ — | \$ — | — % |
| At book value less current surrender charge of 5% or more | — | — | — | — | — |
| At fair value | — | — | — | — | — |
| Total with adjustment or at fair value | — | — | — | — | — |
| At book value without adjustment | 184 | — | — | 184 | 9 |
| Not subject to discretionary withdrawal | 1,784 | — | — | 1,784 | 91 |
| Total | <u>\$ 1,968</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 1,968</u> | <u>100 %</u> |
| Amount with current surrender charge of 5% or more that will have less than a 5% surrender charge in the following year | \$ — | \$ — | \$ — | \$ — | |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 12 - INSURANCE LIABILITIES (continued)

Withdrawal Characteristics of Life Insurance Reserves

The following tables reflect the withdrawal characteristics of life insurance reserves at December 31, 2025 and 2024 (\$ in millions):

| | 2025 | | | | | |
|--|------------------|------------------|------------------|---|------------------|------------------|
| | General Account | | | Separate Accounts Guaranteed and Non-guaranteed | | |
| | Account Value | Cash Value | Reserve | Account Value | Cash Value | Reserve |
| Subject to discretionary withdrawal, surrender, or policy loans: | | | | | | |
| Term policies with cash value | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Universal life | 17,530 | 17,529 | 17,756 | 6,113 | 6,113 | 6,113 |
| Universal life with secondary guarantees | 6,157 | 5,806 | 8,896 | — | — | — |
| Indexed universal life | — | — | — | — | — | — |
| Indexed universal life with secondary guarantees | — | — | — | — | — | — |
| Indexed life | — | — | — | — | — | — |
| Other permanent cash value life insurance | — | — | — | — | — | — |
| Variable life | 9 | 9 | 15 | 68 | 68 | 68 |
| Variable universal life | 1,830 | 1,824 | 1,816 | 18,531 | 18,252 | 18,284 |
| Miscellaneous reserves | — | — | — | — | — | — |
| Not subject to discretionary withdrawal or no cash values: | | | | | | |
| Term policies without cash value | — | — | — | — | — | — |
| Accidental death benefits | — | — | — | — | — | — |
| Disability - active lives | — | — | 3 | — | — | — |
| Disability - disabled lives | — | — | 74 | — | — | — |
| Miscellaneous reserves | — | — | 907 | — | — | — |
| Total life insurance (gross) | 25,525 | 25,169 | 29,467 | 24,712 | 24,432 | 24,465 |
| Reinsurance ceded | — | — | 698 | — | — | — |
| Total life insurance (net) | <u>\$ 25,525</u> | <u>\$ 25,169</u> | <u>\$ 28,769</u> | <u>\$ 24,712</u> | <u>\$ 24,432</u> | <u>\$ 24,465</u> |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 12 - INSURANCE LIABILITIES (continued)

| | 2024 | | | | | |
|---|------------------|------------------|------------------|---|------------------|------------------|
| | General Account | | | Separate Accounts Guaranteed and Non-guaranteed | | |
| | Account Value | Cash Value | Reserve | Account Value | Cash Value | Reserve |
| Subject to discretionary withdrawal, surrender, or policy loans: | | | | | | |
| Term policies with cash value | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Universal life | 17,837 | 17,837 | 18,067 | 5,922 | 5,922 | 5,922 |
| Universal life with secondary guarantees | 6,031 | 5,614 | 8,828 | — | — | — |
| Indexed universal life | — | — | — | — | — | — |
| Indexed universal life with secondary guarantees | — | — | — | — | — | — |
| Indexed life | — | — | — | — | — | — |
| Other permanent cash value life insurance | — | — | — | — | — | — |
| Variable life | 10 | 10 | 18 | 65 | 65 | 65 |
| Variable universal life | 1,760 | 1,755 | 1,753 | 15,062 | 14,829 | 14,854 |
| Miscellaneous reserves | — | — | — | — | — | — |
| Not subject to discretionary withdrawal or no cash values: | | | | | | |
| Term policies without cash value | — | — | — | — | — | — |
| Accidental death benefits | — | — | — | — | — | — |
| Disability - active lives | — | — | 3 | — | — | — |
| Disability - disabled lives | — | — | 75 | — | — | — |
| Miscellaneous reserves | — | — | 627 | — | — | — |
| Total life insurance (gross) | 25,638 | 25,216 | 29,371 | 21,049 | 20,816 | 20,841 |
| Reinsurance ceded | — | — | 702 | — | — | — |
| Total life insurance (net) | <u>\$ 25,638</u> | <u>\$ 25,216</u> | <u>\$ 28,669</u> | <u>\$ 21,049</u> | <u>\$ 20,816</u> | <u>\$ 20,841</u> |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 13 - REINSURANCE

The effects of reinsurance on the accompanying Statutory Statements of Financial Position at December 31, 2025 and 2024 were as follows (in millions):

| | 2025 | 2024 |
|--|-------------------|-------------------|
| Policy reserves: | | |
| Direct | \$ 127,633 | \$ 117,867 |
| Assumed | — | — |
| Ceded | (3,912) | (702) |
| Policy reserves | <u>\$ 123,721</u> | <u>\$ 117,165</u> |
| Policy claims: | | |
| Direct | \$ 639 | \$ 571 |
| Assumed | 625 | 658 |
| Ceded ⁽¹⁾ | (145) | (116) |
| Policy claims | <u>\$ 1,119</u> | <u>\$ 1,113</u> |
| Reinsurance recoverable ⁽²⁾ | <u>\$ 25</u> | <u>\$ 55</u> |

⁽¹⁾ Includes reinsurance recoverable related to unpaid losses of \$91 million and \$84 million at December 31, 2025 and 2024, respectively.

⁽²⁾ Included in Other assets in the accompanying Statutory Statements of Financial Position.

The effects of reinsurance on the accompanying Statutory Statements of Operations for the years ended December 31, 2025, 2024 and 2023 were as follows (in millions):

| | 2025 | 2024 | 2023 |
|-----------------------|------------------|------------------|------------------|
| Premiums: | | | |
| Direct ⁽¹⁾ | \$ 31,071 | \$ 21,381 | \$ 20,072 |
| Assumed | 1,280 | 1,218 | 1,208 |
| Ceded | (3,787) | (555) | (554) |
| Premiums | <u>\$ 28,564</u> | <u>\$ 22,044</u> | <u>\$ 20,726</u> |
| Benefit payments: | | | |
| Direct | \$ 25,402 | \$ 23,136 | \$ 21,447 |
| Assumed | 1,195 | 1,246 | 1,266 |
| Ceded | (631) | (595) | (652) |
| Benefit payments | <u>\$ 25,966</u> | <u>\$ 23,787</u> | <u>\$ 22,061</u> |

⁽¹⁾ Includes considerations for supplementary contracts with life contingencies of \$36 million, \$58 million and \$47 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Reinsurance Assumed

The Company has an affiliated reinsurance agreement to reinsure mortality risk arising under LINA's group term life insurance business on a yearly renewable term basis. This transfer of life insurance mortality risk allows the Company to diversify its overall risk profile, as the Company's risk profile was previously weighted more heavily toward interest rate and asset risk. Entry into the yearly renewable term treaty also reduces LINA's exposure to mortality risk.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 13 - REINSURANCE (continued)

Reinsurance Ceded

The Company enters into ceded reinsurance agreements in the normal course of its insurance business to reduce overall risk and to be able to issue individual life insurance policies in excess of its retention limits. Currently, the Company primarily reinsures the mortality risk on life insurance policies on a quota share yearly renewable term basis, except for custom guarantee UL, asset flex, and certain VUL products. Most of the reinsurance ceded is established on an automatic basis. The quota share currently ceded on new business generally ranges from 10% to 90%. New reinsured UL and VUL policies have minimum size policies ceded of \$250 thousand and \$1 million, respectively. Cases in excess of the Company's retention and certain substandard cases are ceded on a facultative reinsurance basis. The majority of the Company's facultative reinsurance is for substandard cases in which it typically cedes 90%.

The ceding of risk does not discharge the Company from its primary obligations to policyholders. To the extent that the assuming reinsurers become unable to meet their obligations under reinsurance contracts, the Company remains contingently liable. Each reinsurer is reviewed to evaluate its financial stability before entering into each reinsurance contract and throughout the period that the reinsurance contract is in place.

Life insurance ceded was 38% and 39% of total life insurance in-force at December 31, 2025 and 2024.

The Company has reinsurance agreements with New York Life Agents Reinsurance Company ("NYLARC"). NYLARC is a life insurance company wholly owned by NYLARC Holding Company, Inc., whose shareholders consist of New York Life's top agents who meet certain criteria and who may also be agents of the Company or NYLIFE Insurance Company of Arizona ("NYLAZ"). NYLARC reinsures a portion of certain life insurance products sold by its shareholders. NYLARC's purpose is to retain high production agents, and increase the volume and quality of the business that they submit to New York Life, NYLAZ and the Company.

The Company has entered into a reinsurance agreement with LINA, effective January 1, 2025, whereby LINA reinsures on a coinsurance basis 100% of all policies issued by the Company associated with critical illness insurance, accidental indemnity insurance, and hospital indemnity insurance policies. The Company has ceded to LINA the morbidity risk and any other key risk in the policies. At December 31, 2025, the Company ceded liabilities for policy claims relating to this reinsurance agreement of \$7 million. Premiums ceded were \$47 million and policyholders' benefits ceded were \$27 million for the year ended December 31, 2025. There was no financial impact associated with this agreement at or for the year ended December 31, 2024.

The Company entered into a flow reinsurance agreement on a quota share basis with Everlake Life Insurance Company, an unaffiliated life insurance company, effective February 3, 2025. Under the agreement, the Company cedes all risks associated with certain fixed deferred annuity policies issued on or after the effective date, on a coinsurance with funds withheld basis. The Company receives an expense allowance and a ceding commission. For the year ended and as of December 31, 2025, the Company ceded \$3,165 million in premiums and \$3,214 million in reserves under this agreement.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 14 - BENEFIT PLANS

The Company shares in the cost of the following plans sponsored by New York Life: (1) certain defined benefit pension plans for eligible employees and agents, (2) certain defined contribution plans for substantially all employees and agents, (3) certain postretirement life and health benefits for retired employees and agents including their eligible dependents, and (4) postemployment benefits. The expense for these plans is allocated to the Company in accordance with an intercompany cost sharing agreement. The liabilities for these plans are included with the liabilities for the corresponding plan of New York Life. The cost allocated to the Company related to benefit plans is recorded under Operating expenses in the accompanying Statutory Statements of Operations. The Company's share of the cost of these plans was as follows for the years ended December 31, 2025, 2024 and 2023 (in millions):

| | 2025 | 2024 | 2023 |
|--------------------------------|--------------|--------------|--------------|
| Defined benefit pension | \$ 27 | \$ 27 | \$ 25 |
| Defined contribution | 12 | 11 | 10 |
| Postretirement life and health | 3 | 4 | 4 |
| Postemployment | 2 | 2 | 2 |
| Total | \$ 44 | \$ 44 | \$ 41 |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Guarantees

As stated in Note 3 - Significant Accounting Policies, at the inception of a guarantee (except unlimited guarantees), the Company recognizes an initial liability at fair value for the obligations it has undertaken, regardless of the probability of performance under the guarantee. This includes guarantees made on behalf of affiliates unless the guarantee is deemed unlimited. At December 31, 2025 and 2024, the Company had no such guarantees.

Litigation

The Company is a defendant in individual and/or alleged class action suits arising from their agency sales force, insurance (including variable contracts registered under the federal securities law), investment, retail securities, employment and/or other operations, including actions involving retail sales practices. Some of the actions seek substantial or unspecified compensatory and punitive damages. The Company is also from time to time involved in various governmental, administrative, and investigative proceedings and inquiries.

Notwithstanding the uncertain nature of litigation and regulatory inquiries, the outcome of which cannot be predicted, the Company believes that, after provisions made in the financial statements, the ultimate liability that could result from litigation and proceedings would not have a material adverse effect on the Company's financial position; however, it is possible that settlements or adverse determinations in one or more actions or other proceedings in the future could have a material adverse effect on the Company's operating results for a given year.

Borrowed Money

Refer to Note 6 - Investments for a more detailed discussion of the Company's commitments for loaned securities and repurchase agreements.

Assessments

Most of the jurisdictions in which the Company is licensed to transact business require life insurers to participate in guaranty associations which are organized to pay contractual benefits pursuant to insurance policies issued by impaired, insolvent or failed life insurers. These associations levy assessments, up to prescribed limits, on all member insurers in a particular state on the basis of the proportionate share of the premiums written by member insurers in the line of business in which the impaired, insolvent or failed life insurer is engaged. Some states permit member insurers to recover assessments through full or partial premium tax offsets.

The Company recorded guaranty fund receivables of \$1 million and \$4 million at December 31, 2025 and 2024, respectively. The Company recorded guaranty fund liabilities of \$6 million and \$10 million at December 31, 2025 and 2024, respectively.

Other Commitments and Contingencies

Prior to July 1, 2002, the Company did business in Taiwan through a branch operation (the "Taiwan Branch"). On July 1, 2002, the Taiwan Branch ceased operations and all of its liabilities and assets, including policy liabilities were transferred to New York Life Insurance Taiwan Corporation ("Taiwan Corporation"), an indirect subsidiary of New York Life. On December 31, 2013, Taiwan Corporation was sold to Yuanta Financial Holding Co. Ltd. ("Yuanta"). Under the terms of the sale agreement, Yuanta has agreed to satisfy in full, or to cause Taiwan Corporation to satisfy in full, all of Taiwan Corporation's obligations under the Taiwan Branch policies that were transferred to Taiwan Corporation on July 1, 2002. However, the Company, under Taiwan law, also remains contingently liable for these policies in the event that neither Taiwan Corporation nor Yuanta meets its obligations. This contingent liability of the Company has not been recognized on the accompanying Statutory Statements of Financial Position because it does not meet the probable and estimable criteria of SSAP No. 5R.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 15 - COMMITMENTS AND CONTINGENCIES (continued)

At December 31, 2025 and 2024, the Company and its guaranteed separate accounts had contractual commitments to extend credit for commercial mortgage loans at both fixed and variable rates of interest, which amounted to approximately \$1,473 million and \$1,075 million, respectively. These commitments are diversified by property type and geographic location. There were no contractual commitments to extend credit under residential loan agreements at December 31, 2025 and 2024.

At December 31, 2025 and 2024, the Company and its guaranteed separate accounts had outstanding contractual obligations to acquire additional private placement securities amounting to \$2,735 million and \$1,179 million, respectively.

Unfunded commitments on limited partnerships, limited liability companies and other invested assets amounted to \$1,798 million and \$790 million at December 31, 2025 and 2024, respectively. Unfunded commitments on tax credit structures amounted to \$98 million and \$120 million at December 31, 2025 and 2024, respectively.

Several commercial banks have customary security interests in certain assets of the Company to secure potential overdrafts and other liabilities of the Company that may arise under custody, securities lending and other banking agreements with such banks.

FHLB Agreement

The Company is a member of the FHLB of Pittsburgh. Membership in the FHLB of Pittsburgh provides the Company with a significant source of alternative liquidity. Advances received by the general account are included in Other liabilities in the accompanying Statutory Statements of Financial Position. When borrowing from the FHLB of Pittsburgh, the Company is required to post collateral in the form of eligible securities, including mortgage-backed, government and agency debt instruments for each of the advances received. Upon any event of default by the Company, the FHLB of Pittsburgh's recovery from the collateral is limited to the amount of the Company's liability to the FHLB of Pittsburgh.

The amount of FHLB of Pittsburgh common stock held, in aggregate exclusively in the Company's general account at December 31, 2025 and 2024 was as follows (in millions):

| | 2025 | 2024 |
|---|----------|----------|
| Membership stock - Class B ⁽¹⁾ | \$ 24 | \$ 25 |
| Activity stock | — | — |
| Aggregate total | \$ 24 | \$ 25 |
| Actual or estimated borrowing capacity as determined by the insurer | \$ 7,775 | \$ 7,223 |

⁽¹⁾ Membership stock is not eligible for redemption.

At December 31, 2025 and 2024, the Company did not have an outstanding balance due to the FHLB of Pittsburgh. The maximum amount borrowed and collateral pledged to the FHLB of Pittsburgh during the years ended December 31, 2025 and 2024 was as follows (in millions):

| | 2025 | | 2024 | |
|---|--------------------|---------------------|--------------------|---------------------|
| | General Account | Separate Account | General Account | Separate Account |
| Fair Value | \$ 2,719 | \$ — | \$ 2,535 | \$ — |
| Carrying Value | \$ 2,719 | \$ — | \$ 2,535 | \$ — |
| Maximum Amount Borrowed During the Year | \$ — | \$ — | \$ — | \$ — |

The Company does not have any prepayment obligations for the borrowing arrangement.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 16 - INCOME TAXES

The components of the net DTAs and DTLs were as follows at December 31, 2025 and 2024 (in millions):

| | 2025 | | | 2024 | | | Change | | |
|----------------------------------|---------------|----------------|---------------|---------------|-----------------|---------------|----------------|---------------|--------------|
| | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Gross DTAs | \$ 2,067 | \$ 253 | \$ 2,320 | \$ 1,923 | \$ 338 | \$ 2,261 | \$ 144 | \$ (85) | \$ 59 |
| Adjusted gross DTAs | 2,067 | 253 | 2,320 | 1,923 | 338 | 2,261 | 144 | (85) | 59 |
| Nonadmitted DTAs ⁽¹⁾ | 976 | — | 976 | 789 | — | 789 | 187 | — | 187 |
| Subtotal net admitted DTAs | 1,091 | 253 | 1,344 | 1,134 | 338 | 1,472 | (43) | (85) | (128) |
| Gross DTLs | 276 | 314 | 590 | 261 | 506 | 767 | 15 | (192) | (177) |
| Net admitted DTAs ⁽²⁾ | <u>\$ 815</u> | <u>\$ (61)</u> | <u>\$ 754</u> | <u>\$ 873</u> | <u>\$ (168)</u> | <u>\$ 705</u> | <u>\$ (58)</u> | <u>\$ 107</u> | <u>\$ 49</u> |

⁽¹⁾ DTAs are nonadmitted primarily because they are not expected to be realized within three years of the Statutory Statements of Financial Position date.

⁽²⁾ The total net admitted DTAs are included in Other assets in the accompanying Statutory Statements of Financial Position.

The admission calculation components for the years ended December 31, 2025 and 2024 were as follows (paragraph references throughout Note 16 are to paragraphs of SSAP No. 101 “Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10”) (in millions):

| | December 31, 2025 | | | December 31, 2024 | | | Change | | |
|---|-------------------|---------------|-----------------|-------------------|---------------|-----------------|----------------|----------------|-----------------|
| | Ordinary | Capital | Total | Ordinary | Capital | Total | Ordinary | Capital | Total |
| Federal income taxes paid in prior years recoverable through loss carrybacks (Paragraph 11.a) | \$ — | \$ 25 | \$ 25 | \$ — | \$ 15 | \$ 15 | \$ — | \$ 10 | \$ 10 |
| Adjusted gross DTAs expected to be realized (excluding the amount of DTAs from paragraph 11.a above) after application of the threshold limitation (the lesser of paragraph 11.b.i and 11.b.ii below) | 729 | — | 729 | 686 | 5 | 691 | 43 | (5) | 38 |
| Adjusted gross DTAs expected to be realized following the balance sheet date. (Paragraph 11.b.i) | 729 | — | 729 | 686 | 5 | 691 | 43 | (5) | 38 |
| Adjusted gross DTAs allowed per limitation threshold (Paragraph 11.b.ii) | N/A | N/A | 1,179 | N/A | N/A | 1,157 | N/A | N/A | 22 |
| Adjusted gross DTAs (excluding the amount of DTAs from paragraphs 11.a and 11.b above) offset by gross DTLs (Paragraph 11.c) | 362 | 228 | 590 | 448 | 318 | 766 | (86) | (90) | (176) |
| DTAs admitted as the result of application of SSAP 101 (Total of paragraphs 11.a, 11.b, 11.c). | <u>\$ 1,091</u> | <u>\$ 253</u> | <u>\$ 1,344</u> | <u>\$ 1,134</u> | <u>\$ 338</u> | <u>\$ 1,472</u> | <u>\$ (43)</u> | <u>\$ (85)</u> | <u>\$ (128)</u> |

The ratio used to determine the applicable period used in paragraph 11.b.i above and the amount of adjusted capital and surplus used to determine the percentage threshold limitation in paragraph 11.b.ii above are as follows at December 31, 2025 and 2024 (\$ in millions):

| | 2025 | 2024 |
|---|----------|----------|
| Ratio percentage used to determine recovery period and threshold limitation amount. | 712 % | 774 % |
| Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in paragraph 11.b.ii above. | \$ 7,858 | \$ 7,711 |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 16 - INCOME TAXES (continued)

There was no impact on the Company's adjusted gross and net admitted DTAs or corporate alternative minimum tax ("CAMT") DTAs, if any, due to tax planning strategies at December 31, 2025 and 2024. The Company did not use reinsurance in its tax planning strategies.

The Company had no unrecognized DTLs at December 31, 2025 and 2024. Additionally, the Company had no adjustments to gross DTAs because of a change in circumstances that causes a change in judgment about the realizability of the related DTAs.

Significant components of the current federal and foreign income taxes for the years ended December 31, 2025, 2024 and 2023 were as follows (in millions):

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>Change 2025-2024</u> | <u>Change 2024-2023</u> |
|--|---------------|---------------|---------------|-----------------------------|-----------------------------|
| Federal ⁽¹⁾ | \$ 231 | \$ 210 | \$ 247 | \$ 21 | \$ (37) |
| Foreign | (1) | — | 21 | (1) | (21) |
| Subtotal | <u>230</u> | <u>210</u> | <u>268</u> | <u>20</u> | <u>(58)</u> |
| Federal income tax on net capital gains (losses) | 58 | (54) | (41) | 112 | (13) |
| Other | — | — | — | — | — |
| Total federal and foreign income taxes | <u>\$ 288</u> | <u>\$ 156</u> | <u>\$ 227</u> | <u>\$ 132</u> | <u>\$ (71)</u> |

⁽¹⁾ The Company had investment tax credits of \$53 million, \$40 million and \$33 million for the years ended December 31, 2025, 2024 and 2023, respectively.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 16 - INCOME TAXES (continued)

The tax effects of temporary differences that give rise to DTAs and DTLs for the years ended December 31, 2025 and 2024 were as follows (in millions):

| | <u>2025</u> | <u>2024</u> | <u>Change</u> |
|--|---------------|---------------|---------------|
| DTAs | | | |
| Ordinary: | | | |
| Policyholder reserves | \$ 1,264 | \$ 1,155 | \$ 109 |
| Deferred acquisition costs | 510 | 435 | 75 |
| Investments | 229 | 252 | (23) |
| Pension accrual | 18 | 19 | (1) |
| Receivables - nonadmitted | 38 | 55 | (17) |
| Fixed assets | 2 | 1 | 1 |
| Other | 6 | 6 | — |
| Subtotal | <u>2,067</u> | <u>1,923</u> | <u>144</u> |
| Nonadmitted | 976 | 789 | 187 |
| Admitted ordinary DTAs | <u>1,091</u> | <u>1,134</u> | <u>(43)</u> |
| Capital: | | | |
| Investments | 253 | 338 | (85) |
| Subtotal | <u>253</u> | <u>338</u> | <u>(85)</u> |
| Nonadmitted | — | — | — |
| Admitted capital DTAs | <u>253</u> | <u>338</u> | <u>(85)</u> |
| Total admitted DTAs | <u>1,344</u> | <u>1,472</u> | <u>(128)</u> |
| DTLs | | | |
| Ordinary: | | | |
| Policyholder reserves | 3 | 44 | (41) |
| Investments | 264 | 208 | 56 |
| Other | 9 | 9 | — |
| Subtotal | <u>276</u> | <u>261</u> | <u>15</u> |
| Capital: | | | |
| Investments | 314 | 506 | (192) |
| Subtotal | <u>314</u> | <u>506</u> | <u>(192)</u> |
| Total DTLs | <u>590</u> | <u>767</u> | <u>(177)</u> |
| Net admitted DTAs | <u>\$ 754</u> | <u>\$ 705</u> | <u>\$ 49</u> |
| Change in deferred income tax on change in net unrealized capital gains/ losses | | | \$ 52 |
| Change in net deferred taxes related to other items | | | 184 |
| Change in DTAs nonadmitted | | | (187) |
| Change in net admitted DTAs | | | <u>\$ 49</u> |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 16 - INCOME TAXES (continued)

The Company's income tax expense and change in net DTAs for the years ended December 31, 2025, 2024 and 2023 differs from the amount obtained by applying the statutory rate of 21% to net gain from operations after dividends to policyholders and before federal income taxes for the following reasons (in millions):

| | 2025 | 2024 | 2023 | Change 2025-2024 | Change 2024-2023 |
|---|---------------|----------------|--------------|-----------------------------|-----------------------------|
| Net gain from operations after dividends to policyholders and before federal and foreign income taxes at statutory rate | \$ 99 | \$ 117 | \$ 141 | \$ (18) | \$ (24) |
| Net realized capital gains/(losses) at statutory rate | 49 | (74) | (24) | 123 | (50) |
| Tax exempt income | (32) | (38) | (33) | 6 | (5) |
| Tax credits, net of withholding | (67) | (47) | (41) | (20) | (6) |
| Amortization of IMR | 8 | 6 | (1) | 2 | 7 |
| Dividend from MCF | (28) | (21) | (72) | (7) | 51 |
| Partnership income from MCF | 44 | 49 | 57 | (5) | (8) |
| Prior year audit liability and settlement | 5 | (3) | 4 | 8 | (7) |
| Non-admitted assets | 18 | (40) | 4 | 58 | (44) |
| Other items impacting surplus | 9 | 40 | 4 | (31) | 36 |
| Other | (1) | — | (1) | (1) | 1 |
| Federal and foreign income taxes incurred and change in net deferred taxes during the year | <u>\$ 104</u> | <u>\$ (11)</u> | <u>\$ 38</u> | <u>\$ 115</u> | <u>\$ (49)</u> |
| Federal and foreign income tax expense reported in the Company's Statutory Statements of Operations | \$ 230 | \$ 210 | \$ 268 | \$ 20 | \$ (58) |
| Capital gains tax expense/(benefit) incurred | 58 | (54) | (41) | 112 | (13) |
| Change in net DTAs | <u>(184)</u> | <u>(167)</u> | <u>(189)</u> | <u>(17)</u> | <u>22</u> |
| Federal and foreign income taxes incurred and change in net deferred taxes during the year | <u>\$ 104</u> | <u>\$ (11)</u> | <u>\$ 38</u> | <u>\$ 115</u> | <u>\$ (49)</u> |

The Company's federal income tax return is consolidated with New York Life, NYLAZ, NYLIFE LLC, New York Life Enterprises LLC, NYL Investments, NYL Investors LLC, LINA, New York Life Group Insurance Company of NY ("NYLGICNY"), and LINA Benefit Payments, Inc. Refer to Note 3 – Significant Accounting Policies - Federal Income Taxes.

As a member of NYLIC's consolidated group, the Company's federal income tax returns are routinely audited by the Internal Revenue Service ("IRS") and provisions are made in the financial statements in anticipation of the results of these audits. The IRS has completed audits through 2013, and tax years 2014 through 2018 are currently under examination. There were no material effects in the Company's Statement of Operations as a result of these audits.

The Company does not anticipate any significant changes to its total unrecognized tax benefits within the next 12 months.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 16 - INCOME TAXES (continued)

The Company did not have any operating loss, tax credit or CAMT credit carry forwards available for tax purposes. For the years ended December 2025, 2024, and 2023, the Company's income taxes incurred in current and prior years that will be available for recoupment in the event of future net losses were as follows (in millions):

| Year | | |
|-------------|----|----|
| 2025 | \$ | 35 |
| 2024 | \$ | — |
| 2023 | \$ | — |

The Company has determined as of the reporting date that it will be an applicable corporation but will not be liable for corporate alternative minimum tax ("CAMT"), that is based on the adjusted financial statement income set forth on the applicable financial statement on the applicable corporation, for the reporting year. The reporting entity has made an accounting policy election to disregard CAMT when evaluating the need for valuation allowance for its non-CAMT DTA's. As the subsidiary that is a member of a controlled group of corporations that file a consolidated return, any CAMT liability will be borne by the parent.

The One Big Beautiful Bill Act ("OBBBA") was enacted on July 4, 2025. The legislation permanently extends certain provisions of the 2017 Tax Cuts and Jobs Act and introduces additional tax measures. The Company evaluated that there was no material impact on the Company's surplus position as a result of OBBBA.

At December 31, 2025 and 2024, the Company recorded a current income tax payable of \$13 million and tax receivable of \$55 million, respectively, which is included in Other assets and Other liabilities in the accompanying Statutory Statements of Financial Position.

At December 31, 2025, the Company had no protective tax deposits on deposit with the IRS under Section 6603 of the Internal Revenue Code.

NOTE 17 - CAPITAL AND SURPLUS

Capitalization

The Company has 20,000 shares authorized, with a par value of \$10,000 per share with 2,500 shares issued and outstanding. All shares are common stock and are owned by New York Life. The Company has no preferred stock.

The Company did not receive a capital contribution from New York Life for the years ended December 31, 2025, 2024, and 2023.

Other Surplus Adjustments

Other adjustments, net in the accompanying Statutory Statements of Changes in Surplus at December 31, 2025, 2024 and 2023, principally include the effects of the following (in millions):

| | 2025 | 2024 | 2023 |
|---|---------------|-------------|----------------|
| Surplus withdrawn from separate accounts | \$ 51 | \$ 47 | \$ 58 |
| Changes in surplus relating to separate accounts | (57) | (44) | (74) |
| Change in liability for reinsurance in unauthorized companies | (2) | 3 | 2 |
| Total | <u>\$ (8)</u> | <u>\$ 6</u> | <u>\$ (14)</u> |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 17 – CAPITAL AND SURPLUS (continued)

Nonadmitted Assets

Under statutory accounting rules, a nonadmitted asset is defined as an asset having economic value other than that which can be used to fulfill policyholder obligations, or those assets that are unavailable due to encumbrances or other third-party interests. These assets are not recognized in the accompanying Statutory Statements of Financial Position, and are, therefore, considered nonadmitted. The changes between years in nonadmitted assets are charged or credited directly to surplus.

Special Surplus Funds

At December 31, 2025, the Company had special surplus funds of \$459 million (includes \$442 million in the General Account and \$17 million in the Separate Accounts) due to the admittance of negative IMR. Refer to Note 6 - Investments for a more detailed discussion on Admitted Negative IMR.

NOTE 18 - DIVIDENDS TO STOCKHOLDER

The Company is subject to restrictions on the payment of dividends to New York Life. Under the Delaware Insurance Code, cash dividends can be paid only out of that part of the Company’s available and accumulated surplus funds which are derived from realized net operating profits on its business and realized capital gains, and dividends (or other distributions) on capital stock can be declared and paid only out of earned surplus (being an amount equal to the unassigned funds of the Company as set forth in its most recent annual statement submitted to the Delaware Insurance Commissioner (“the Commissioner”), including all or part of the surplus arising from unrealized capital gains or revaluation of assets), except as otherwise approved by the Commissioner (provided that stock dividends may be paid out of any available surplus funds). Furthermore, no extraordinary dividend may be paid until 30 days after the Commissioner has received notice of such declaration and has not disapproved such payment within such 30 day period, or the Commissioner has approved such payment within that 30 day period. Extraordinary dividends are defined as any dividend or distribution or cash or other property, whose fair market value, together with that of other dividends or distributions made within the preceding 12 months, exceeds the greater of (1) 10 percent of the Company’s surplus as regards policyholders as of the preceding December 31 or (2) the net gain from operations, not including realized capital gains, not to exceed 30 percent of its surplus to policyholders as of the immediately preceding calendar year, of the Company for the 12 month period ending on the preceding December 31 (not including pro rata distributions of any class of the Company’s own securities).

At December 31, 2025, the amount of earned surplus of the Company available for the payment of dividends was \$3,688 million. The maximum amount of dividends that may be paid in 2026 without prior notice to or approval of the Commissioner is \$861 million.

Dividends may be declared by the Board of Directors of the Company from available surplus, as it deems appropriate, on a non-cumulative basis. For the years ended December 31, 2025, 2024 and 2023, the Company paid cash dividends to its sole stockholder, New York Life, of \$0 million, \$890 million, and \$0 million, respectively.

NOTE 19 - WRITTEN PREMIUMS

Deferred and uncollected life insurance premiums and annuity considerations at December 31, 2025 and 2024 were as follows (in millions):

| | 2025 | | 2024 | |
|---------------------------|--------|----------------|--------|----------------|
| | Gross | Net of Loading | Gross | Net of Loading |
| Group life ⁽¹⁾ | \$ 443 | \$ 443 | \$ 417 | \$ 417 |
| Total | \$ 443 | \$ 443 | \$ 417 | \$ 417 |

⁽¹⁾ Represents reinsurance premiums assumed from LINA. Refer to Note 13 - Reinsurance for more details.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 19 - WRITTEN PREMIUMS (continued)

Deferred premium is the portion of the annual premium not earned at the reporting date. Loading of deferred premium is an amount obtained by subtracting the valuation net deferred premium from the gross deferred premium and generally includes allowances for acquisition costs and other expenses.

Uncollected premium is gross premium, net of reinsurance that is due and unpaid at the reporting date. Net premium is the amount used in the calculation of reserves. The change in loading is included as an expense and is not shown as a reduction to premium income.

Based upon the Company experience, the amount of premiums that may become uncollectible and result in a potential loss is not material to the Company's financial position. At December 31, 2025 and 2024, the Company had less than \$1 million of uncollected premiums, respectively, that were nonadmitted as they were over 90 days past due.

The Company did not have any direct premium written/produced by a single managing general agent/third-party administrator that was equal to or greater than 5% of surplus for the years ended December 31, 2025 and 2024, respectively.

NOTE 20 - ASSET BACKED SECURITY IMPAIRMENTS

The Company does not have any asset backed securities, which are other-than-temporarily impaired where the Company intends to sell, or does not have the intent and ability to hold until recovery, at December 31, 2025.

The following table lists each asset backed security at a CUSIP level where the present value of cash flows expected to be collected is less than the amortized cost basis during the year (in thousands):

| IMPAIRMENTS TAKEN ON CURRENT HOLDINGS DURING THE CURRENT YEAR | | | | | | |
|--|--|-------------------------|---|---------------------------------|------------|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| CUSIP ^(1,2) | Amortized Cost Before Current Period OTTI | Projected Cash Flows | Current Period Recognized OTTI | Amortized Cost After OTTI | Fair Value | Financial Statement Reporting Period |
| General Account | | | | | | |
| 007034BN0 | \$ 134 | \$ 133 | \$ 1 | \$ 133 | \$ 131 | 12/31/2025 |
| 02660TGA5 | 22 | 22 | 0 | 22 | 16 | 12/31/2025 |
| 059469AF3 | 352 | 341 | 11 | 341 | 315 | 12/31/2025 |
| 12544TAH7 | 171 | 170 | 0 | 170 | 163 | 12/31/2025 |
| 12628LAJ9 | 61 | 57 | 3 | 57 | 51 | 12/31/2025 |
| 12629EAD7 | 477 | 471 | 6 | 471 | 375 | 12/31/2025 |
| 12638PAE9 | 622 | 614 | 8 | 614 | 528 | 12/31/2025 |
| 12667FJ55 | 520 | 510 | 9 | 510 | 472 | 12/31/2025 |
| 12667G6W8 | 587 | 582 | 5 | 582 | 539 | 12/31/2025 |
| 12667GPU1 | 229 | 229 | 1 | 229 | 222 | 12/31/2025 |
| 12667GXM0 | 560 | 550 | 10 | 550 | 510 | 12/31/2025 |
| 12667GXN8 | 196 | 193 | 4 | 193 | 182 | 12/31/2025 |
| 12668AMN2 | 645 | 640 | 4 | 640 | 589 | 12/31/2025 |
| 126694DT2 | 104 | 100 | 4 | 100 | 77 | 12/31/2025 |
| 161546GK6 | 872 | 871 | 0 | 871 | 860 | 12/31/2025 |
| 17309BAB3 | 68 | 67 | 2 | 67 | 63 | 12/31/2025 |
| 32051GTD7 | 190 | 186 | 4 | 186 | 183 | 12/31/2025 |
| 3622E8AC9 | 1,336 | 1,292 | 44 | 1,292 | 1,245 | 12/31/2025 |
| 3622E8AF2 | 631 | 608 | 23 | 608 | 587 | 12/31/2025 |
| 3622ELAG1 | 133 | 129 | 4 | 129 | 118 | 12/31/2025 |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 20 - LOAN-BACKED AND STRUCTURED SECURITY IMPAIRMENTS (continued)

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS DURING THE CURRENT YEAR

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|------------------------|--|-------------------------|---|---------------------------------|------------|---|
| CUSIP ^(1,2) | Amortized Cost Before Current Period OTTI | Projected Cash Flows | Current Period Recognized OTTI | Amortized Cost After OTTI | Fair Value | Financial Statement Reporting Period |
| 3622EUAB2 | 254 | 246 | 8 | 246 | 228 | 12/31/2025 |
| 3622EUAC0 | 550 | 533 | 18 | 533 | 498 | 12/31/2025 |
| 3622MPAT5 | 11 | 11 | 0 | 11 | 10 | 12/31/2025 |
| 362334MD3 | 29 | 28 | 1 | 28 | 27 | 12/31/2025 |
| 362375AF4 | 286 | 284 | 3 | 284 | 262 | 12/31/2025 |
| 36242DD26 | 231 | 229 | 1 | 229 | 226 | 12/31/2025 |
| 36244SAC2 | 1,747 | 1,730 | 17 | 1,730 | 1,581 | 12/31/2025 |
| 36244SAF5 | 1,064 | 1,053 | 11 | 1,053 | 982 | 12/31/2025 |
| 45660LSY6 | 1,306 | 1,279 | 27 | 1,279 | 1,205 | 12/31/2025 |
| 466247ZQ9 | 225 | 219 | 6 | 219 | 201 | 12/31/2025 |
| 46627MEA1 | 584 | 572 | 12 | 572 | 518 | 12/31/2025 |
| 46630MAG7 | 210 | 208 | 2 | 208 | 181 | 12/31/2025 |
| 61749EAD9 | 1,178 | 1,173 | 5 | 1,173 | 1,020 | 12/31/2025 |
| 61749EAE7 | 337 | 335 | 1 | 335 | 294 | 12/31/2025 |
| 61749EAH0 | 371 | 370 | 1 | 370 | 317 | 12/31/2025 |
| 61750YAD1 | 706 | 699 | 7 | 699 | 678 | 12/31/2025 |
| 61750YAE9 | 99 | 98 | 1 | 98 | 97 | 12/31/2025 |
| 61750YAJ8 | 191 | 189 | 2 | 189 | 184 | 12/31/2025 |
| 61752RAH5 | 201 | 198 | 3 | 198 | 188 | 12/31/2025 |
| 61752RAJ1 | 434 | 429 | 6 | 429 | 420 | 12/31/2025 |
| 61752RAM4 | 418 | 412 | 6 | 412 | 404 | 12/31/2025 |
| 65537BAC4 | 1,119 | 1,085 | 33 | 1,085 | 994 | 12/31/2025 |
| 65537BAF7 | 729 | 707 | 22 | 707 | 649 | 12/31/2025 |
| 75970HAD2 | 61 | 61 | 1 | 61 | 61 | 12/31/2025 |
| 76110VSU3 | 7 | 6 | 1 | 6 | 6 | 12/31/2025 |
| 76114CAD8 | 160 | 160 | 0 | 160 | 146 | 12/31/2025 |
| 007034BN0 | 137 | 136 | 0 | 136 | 134 | 9/30/2025 |
| 02660TGA5 | 24 | 23 | 1 | 23 | 16 | 9/30/2025 |
| 059469AF3 | 359 | 355 | 4 | 355 | 324 | 9/30/2025 |
| 12627HAK6 | 310 | 300 | 10 | 300 | 278 | 9/30/2025 |
| 12628KAF9 | 361 | 342 | 19 | 342 | 311 | 9/30/2025 |
| 12628LAJ9 | 61 | 61 | 0 | 61 | 57 | 9/30/2025 |
| 12629EAD7 | 487 | 481 | 6 | 481 | 389 | 9/30/2025 |
| 126384AQ9 | 10 | 10 | 0 | 10 | 10 | 9/30/2025 |
| 12638PAE9 | 627 | 624 | 2 | 624 | 535 | 9/30/2025 |
| 12667FJ55 | 527 | 527 | 0 | 527 | 484 | 9/30/2025 |
| 12667G6W8 | 605 | 598 | 7 | 598 | 544 | 9/30/2025 |
| 12667GXM0 | 571 | 569 | 2 | 569 | 523 | 9/30/2025 |
| 12667GXN8 | 200 | 200 | 1 | 200 | 186 | 9/30/2025 |
| 12668AMN2 | 671 | 663 | 8 | 663 | 609 | 9/30/2025 |
| 161546GK6 | 915 | 915 | 0 | 915 | 899 | 9/30/2025 |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 20 - LOAN-BACKED AND STRUCTURED SECURITY IMPAIRMENTS (continued)

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS DURING THE CURRENT YEAR

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|------------------------|--|-------------------------|---|---------------------------------|------------|---|
| CUSIP ^(1,2) | Amortized Cost Before Current Period OTTI | Projected Cash Flows | Current Period Recognized OTTI | Amortized Cost After OTTI | Fair Value | Financial Statement Reporting Period |
| 17309BAB3 | 69 | 69 | 0 | 69 | 64 | 9/30/2025 |
| 17309YAF4 | 282 | 277 | 5 | 277 | 258 | 9/30/2025 |
| 225470S95 | 235 | 235 | 0 | 235 | 189 | 9/30/2025 |
| 23312RAA3 | 16,541 | 8,250 | 8,291 | 8,250 | 3,259 | 9/30/2025 |
| 32051GTD7 | 194 | 192 | 2 | 192 | 187 | 9/30/2025 |
| 3622E8AC9 | 1,348 | 1,343 | 5 | 1,343 | 1,218 | 9/30/2025 |
| 3622E8AF2 | 637 | 633 | 3 | 633 | 590 | 9/30/2025 |
| 3622EUAB2 | 257 | 255 | 1 | 255 | 235 | 9/30/2025 |
| 3622EUAC0 | 556 | 553 | 3 | 553 | 512 | 9/30/2025 |
| 3622MPAT5 | 11 | 11 | 0 | 11 | 10 | 9/30/2025 |
| 362334MD3 | 30 | 30 | 1 | 30 | 27 | 9/30/2025 |
| 362375AF4 | 291 | 288 | 3 | 288 | 268 | 9/30/2025 |
| 36242DD26 | 238 | 237 | 1 | 237 | 232 | 9/30/2025 |
| 466247ZQ9 | 225 | 225 | 0 | 225 | 194 | 9/30/2025 |
| 46627MEA1 | 592 | 585 | 7 | 585 | 534 | 9/30/2025 |
| 46628SAE3 | 1,002 | 973 | 29 | 973 | 940 | 9/30/2025 |
| 46628SAG8 | 712 | 691 | 20 | 691 | 677 | 9/30/2025 |
| 46630MAG7 | 213 | 213 | 1 | 213 | 185 | 9/30/2025 |
| 57643MCG7 | 61 | 61 | 0 | 61 | 61 | 9/30/2025 |
| 61749EAD9 | 1,186 | 1,182 | 4 | 1,182 | 1,033 | 9/30/2025 |
| 61749EAE7 | 339 | 338 | 1 | 338 | 298 | 9/30/2025 |
| 61749EAH0 | 373 | 373 | 1 | 373 | 321 | 9/30/2025 |
| 61750YAB5 | 28 | 27 | 0 | 27 | 27 | 9/30/2025 |
| 61750YAD1 | 718 | 708 | 10 | 708 | 694 | 9/30/2025 |
| 61750YAE9 | 100 | 99 | 1 | 99 | 99 | 9/30/2025 |
| 61750YAJ8 | 194 | 191 | 3 | 191 | 188 | 9/30/2025 |
| 61751DAE4 | 198 | 196 | 2 | 196 | 176 | 9/30/2025 |
| 61752RAH5 | 203 | 202 | 1 | 202 | 191 | 9/30/2025 |
| 61752RAJ1 | 439 | 436 | 3 | 436 | 425 | 9/30/2025 |
| 61752RAM4 | 423 | 420 | 4 | 420 | 410 | 9/30/2025 |
| 65537BAC4 | 1,136 | 1,123 | 13 | 1,123 | 1,011 | 9/30/2025 |
| 65537BAF7 | 739 | 732 | 8 | 732 | 660 | 9/30/2025 |
| 69336RBS8 | 3 | 1 | 2 | 1 | 0 | 9/30/2025 |
| 75970HAD2 | 91 | 89 | 2 | 89 | 89 | 9/30/2025 |
| 02660TGA5 | 25 | 24 | 1 | 24 | 16 | 6/30/2025 |
| 059469AF3 | 369 | 360 | 8 | 360 | 329 | 6/30/2025 |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 20 - LOAN-BACKED AND STRUCTURED SECURITY IMPAIRMENTS (continued)

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS DURING THE CURRENT YEAR

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|------------------------|--|-------------------------|---|---------------------------------|------------|---|
| CUSIP ^(1,2) | Amortized Cost Before Current Period OTTI | Projected Cash Flows | Current Period Recognized OTTI | Amortized Cost After OTTI | Fair Value | Financial Statement Reporting Period |
| 12627HAK6 | 317 | 312 | 4 | 312 | 284 | 6/30/2025 |
| 12628KAF9 | 371 | 362 | 9 | 362 | 322 | 6/30/2025 |
| 12628LAJ9 | 64 | 62 | 3 | 62 | 59 | 6/30/2025 |
| 12629EAD7 | 502 | 491 | 10 | 491 | 402 | 6/30/2025 |
| 126384AQ9 | 11 | 10 | 0 | 10 | 9 | 6/30/2025 |
| 12638PAE9 | 638 | 629 | 9 | 629 | 548 | 6/30/2025 |
| 12667FJ55 | 542 | 538 | 4 | 538 | 494 | 6/30/2025 |
| 12667G6W8 | 631 | 626 | 5 | 626 | 564 | 6/30/2025 |
| 12667GXM0 | 578 | 578 | 0 | 578 | 532 | 6/30/2025 |
| 12667GXN8 | 203 | 203 | 0 | 203 | 189 | 6/30/2025 |
| 12668AMN2 | 676 | 676 | 0 | 676 | 618 | 6/30/2025 |
| 126694DT2 | 109 | 106 | 3 | 106 | 82 | 6/30/2025 |
| 17309BAB3 | 70 | 70 | 0 | 70 | 65 | 6/30/2025 |
| 17309YAF4 | 289 | 288 | 0 | 288 | 264 | 6/30/2025 |
| 32051GTD7 | 205 | 203 | 3 | 203 | 199 | 6/30/2025 |
| 3622E8AC9 | 1,368 | 1,359 | 9 | 1,359 | 1,238 | 6/30/2025 |
| 3622E8AF2 | 648 | 641 | 7 | 641 | 600 | 6/30/2025 |
| 3622ELAG1 | 134 | 134 | 0 | 134 | 122 | 6/30/2025 |
| 362334MD3 | 30 | 30 | 0 | 30 | 28 | 6/30/2025 |
| 362375AF4 | 300 | 292 | 8 | 292 | 270 | 6/30/2025 |
| 36242DD26 | 242 | 240 | 2 | 240 | 235 | 6/30/2025 |
| 36244SAC2 | 1,890 | 1,772 | 118 | 1,772 | 1,640 | 6/30/2025 |
| 36244SAF5 | 1,152 | 1,079 | 73 | 1,079 | 1,019 | 6/30/2025 |
| 45660LSY6 | 1,356 | 1,329 | 28 | 1,329 | 1,302 | 6/30/2025 |
| 466247ZQ9 | 227 | 225 | 1 | 225 | 197 | 6/30/2025 |
| 46627MEA1 | 632 | 613 | 18 | 613 | 562 | 6/30/2025 |
| 46628SAE3 | 1,015 | 1,008 | 8 | 1,008 | 956 | 6/30/2025 |
| 46628SAG8 | 722 | 716 | 6 | 716 | 689 | 6/30/2025 |
| 46630MAG7 | 217 | 215 | 1 | 215 | 185 | 6/30/2025 |
| 61748HPB1 | 284 | 242 | 42 | 242 | 279 | 6/30/2025 |
| 61749EAD9 | 1,202 | 1,191 | 11 | 1,191 | 1,063 | 6/30/2025 |
| 61749EAE7 | 344 | 341 | 3 | 341 | 307 | 6/30/2025 |
| 61749EAH0 | 377 | 375 | 2 | 375 | 331 | 6/30/2025 |
| 61750YAB5 | 431 | 407 | 24 | 407 | 431 | 6/30/2025 |
| 61750YAD1 | 733 | 720 | 13 | 720 | 701 | 6/30/2025 |
| 61750YAE9 | 103 | 101 | 2 | 101 | 100 | 6/30/2025 |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 20 - LOAN-BACKED AND STRUCTURED SECURITY IMPAIRMENTS (continued)

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS DURING THE CURRENT YEAR

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|------------------------|--|-------------------------|---|---------------------------------|------------|---|
| CUSIP ^(1,2) | Amortized Cost Before Current Period OTTI | Projected Cash Flows | Current Period Recognized OTTI | Amortized Cost After OTTI | Fair Value | Financial Statement Reporting Period |
| 61750YAJ8 | 198 | 194 | 3 | 194 | 190 | 6/30/2025 |
| 61751DAE4 | 205 | 199 | 6 | 199 | 177 | 6/30/2025 |
| 61751JAH4 | 599 | 599 | 0 | 599 | 563 | 6/30/2025 |
| 61751JAJ0 | 596 | 596 | 0 | 596 | 562 | 6/30/2025 |
| 61752RAH5 | 207 | 205 | 1 | 205 | 195 | 6/30/2025 |
| 61752RAJ1 | 447 | 444 | 3 | 444 | 435 | 6/30/2025 |
| 61752RAM4 | 431 | 427 | 4 | 427 | 419 | 6/30/2025 |
| 65537BAC4 | 1,158 | 1,147 | 11 | 1,147 | 1,043 | 6/30/2025 |
| 65537BAF7 | 754 | 747 | 7 | 747 | 681 | 6/30/2025 |
| 69336RBS8 | 4 | 3 | 2 | 3 | 0 | 6/30/2025 |
| 75970HAD2 | 93 | 91 | 2 | 91 | 91 | 6/30/2025 |
| 76110VSU3 | 8 | 7 | 1 | 7 | 7 | 6/30/2025 |
| 76114CAD8 | 162 | 160 | 2 | 160 | 152 | 6/30/2025 |
| 93934FEM0 | 461 | 460 | 1 | 460 | 438 | 6/30/2025 |
| 02660TGA5 | 27 | 26 | 0 | 26 | 18 | 3/31/2025 |
| 059469AF3 | 377 | 372 | 5 | 372 | 350 | 3/31/2025 |
| 1248MBAJ4 | 2,241 | 2,165 | 76 | 2,165 | 1,968 | 3/31/2025 |
| 1248MBAL9 | 626 | 617 | 10 | 617 | 553 | 3/31/2025 |
| 12544TAH7 | 79 | 79 | 0 | 79 | 77 | 3/31/2025 |
| 12627HAK6 | 327 | 320 | 8 | 320 | 293 | 3/31/2025 |
| 12628LAJ9 | 65 | 65 | 1 | 65 | 61 | 3/31/2025 |
| 12629EAD7 | 526 | 507 | 19 | 507 | 417 | 3/31/2025 |
| 12638PAE9 | 647 | 640 | 7 | 640 | 534 | 3/31/2025 |
| 12667GXM0 | 590 | 584 | 5 | 584 | 541 | 3/31/2025 |
| 12667GXN8 | 207 | 205 | 2 | 205 | 192 | 3/31/2025 |
| 12668AMN2 | 702 | 684 | 17 | 684 | 628 | 3/31/2025 |
| 17309BAB3 | 72 | 71 | 1 | 71 | 66 | 3/31/2025 |
| 225470S95 | 243 | 235 | 7 | 235 | 183 | 3/31/2025 |
| 32051GTD7 | 208 | 206 | 2 | 206 | 199 | 3/31/2025 |
| 3622ELAG1 | 140 | 135 | 5 | 135 | 128 | 3/31/2025 |
| 3622MPAT5 | 12 | 12 | 0 | 12 | 11 | 3/31/2025 |
| 362334MD3 | 16 | 16 | 0 | 16 | 13 | 3/31/2025 |
| 362375AF4 | 305 | 301 | 3 | 301 | 277 | 3/31/2025 |
| 36242DD26 | 253 | 251 | 2 | 251 | 247 | 3/31/2025 |
| 45660LSY6 | 1,399 | 1,376 | 23 | 1,376 | 1,336 | 3/31/2025 |
| 466247ZQ9 | 233 | 227 | 6 | 227 | 200 | 3/31/2025 |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 20 - LOAN-BACKED AND STRUCTURED SECURITY IMPAIRMENTS (continued)

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS DURING THE CURRENT YEAR

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|---------------------------------------|--|-------------------------|---|---------------------------------|------------|---|
| CUSIP ^(1,2) | Amortized Cost Before Current Period OTTI | Projected Cash Flows | Current Period Recognized OTTI | Amortized Cost After OTTI | Fair Value | Financial Statement Reporting Period |
| 46627MEA1 | 647 | 636 | 11 | 636 | 582 | 3/31/2025 |
| 46628BBD1 | 94 | 83 | 11 | 83 | 62 | 3/31/2025 |
| 57643MCG7 | 63 | 63 | 1 | 63 | 63 | 3/31/2025 |
| 61750YAB5 | 29 | 28 | 1 | 28 | 28 | 3/31/2025 |
| 61750YAD1 | 738 | 736 | 2 | 736 | 717 | 3/31/2025 |
| 61750YAE9 | 103 | 103 | 0 | 103 | 102 | 3/31/2025 |
| 61750YAJ8 | 199 | 199 | 1 | 199 | 195 | 3/31/2025 |
| 61751DAE4 | 209 | 208 | 1 | 208 | 186 | 3/31/2025 |
| 61751JAH4 | 607 | 602 | 5 | 602 | 570 | 3/31/2025 |
| 61751JAJ0 | 604 | 599 | 5 | 599 | 570 | 3/31/2025 |
| 61752RAH5 | 209 | 208 | 1 | 208 | 199 | 3/31/2025 |
| 61752RAJ1 | 454 | 451 | 3 | 451 | 443 | 3/31/2025 |
| 61752RAM4 | 438 | 434 | 4 | 434 | 427 | 3/31/2025 |
| 65537BAC4 | 1,173 | 1,169 | 3 | 1,169 | 1,086 | 3/31/2025 |
| 65537BAF7 | 764 | 761 | 2 | 761 | 710 | 3/31/2025 |
| 69336RBS8 | 6 | 4 | 2 | 4 | 0 | 3/31/2025 |
| 76110VSU3 | 8 | 8 | 0 | 8 | 8 | 3/31/2025 |
| 76114CAD8 | 166 | 162 | 4 | 162 | 153 | 3/31/2025 |
| 76114QAC9 | 48 | 48 | 0 | 48 | 43 | 3/31/2025 |
| Subtotal - General Account | XXX | XXX \$ | 9,566 | XXX | XXX | |
| Guaranteed Separate Accounts | | | | | | |
| 059469AF3 | 58 | 57 | 2 | 57 | 52 | 12/31/2025 |
| 3622E8AC9 | 28 | 27 | 1 | 27 | 26 | 12/31/2025 |
| 3622MPAT5 | 11 | 11 | 0 | 11 | 10 | 12/31/2025 |
| 36244SAC2 | 96 | 95 | 1 | 95 | 87 | 12/31/2025 |
| 36244SAF5 | 88 | 87 | 1 | 87 | 82 | 12/31/2025 |
| 61749EAD9 | 52 | 52 | 0 | 52 | 45 | 12/31/2025 |
| 61749EAE7 | 26 | 26 | 0 | 26 | 23 | 12/31/2025 |
| 61749EAH0 | 79 | 79 | 0 | 79 | 68 | 12/31/2025 |
| 61750YAE9 | 25 | 24 | 0 | 24 | 24 | 12/31/2025 |
| 61750YAJ8 | 71 | 71 | 1 | 71 | 69 | 12/31/2025 |
| 75970HAD2 | 6 | 6 | 0 | 6 | 6 | 12/31/2025 |
| 76110VSU3 | 0 | 0 | 0 | 0 | 0 | 12/31/2025 |
| 059469AF3 | 60 | 59 | 1 | 59 | 54 | 9/30/2025 |
| 12627HAK6 | 55 | 53 | 2 | 53 | 49 | 9/30/2025 |
| 12628KAF9 | 47 | 45 | 3 | 45 | 41 | 9/30/2025 |
| 126384AQ9 | 10 | 10 | 0 | 10 | 10 | 9/30/2025 |
| 17309YAF4 | 184 | 180 | 3 | 180 | 168 | 9/30/2025 |

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 20 - LOAN-BACKED AND STRUCTURED SECURITY IMPAIRMENTS (continued)

IMPAIRMENTS TAKEN ON CURRENT HOLDINGS DURING THE CURRENT YEAR

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|--|--|-------------------------|---|---------------------------------|------------|---|
| CUSIP ^(1,2) | Amortized Cost Before Current Period OTTI | Projected Cash Flows | Current Period Recognized OTTI | Amortized Cost After OTTI | Fair Value | Financial Statement Reporting Period |
| 23312RAA3 | 501 | 250 | 251 | 250 | 99 | 9/30/2025 |
| 3622E8AC9 | 29 | 29 | 0 | 29 | 26 | 9/30/2025 |
| 3622MPAT5 | 11 | 11 | 0 | 11 | 10 | 9/30/2025 |
| 61749EAD9 | 53 | 53 | 0 | 53 | 46 | 9/30/2025 |
| 61749EAE7 | 26 | 26 | 0 | 26 | 23 | 9/30/2025 |
| 61749EAH0 | 80 | 80 | 0 | 80 | 69 | 9/30/2025 |
| 61750YAE9 | 25 | 25 | 0 | 25 | 25 | 9/30/2025 |
| 61750YAJ8 | 73 | 72 | 1 | 72 | 71 | 9/30/2025 |
| 61751DAE4 | 28 | 28 | 0 | 28 | 25 | 9/30/2025 |
| 75970HAD2 | 11 | 10 | 0 | 10 | 10 | 9/30/2025 |
| 059469AF3 | 61 | 60 | 1 | 60 | 55 | 6/30/2025 |
| 12627HAK6 | 56 | 55 | 1 | 55 | 50 | 6/30/2025 |
| 12628KAF9 | 48 | 47 | 1 | 47 | 42 | 6/30/2025 |
| 126384AQ9 | 11 | 10 | 0 | 10 | 9 | 6/30/2025 |
| 17309YAF4 | 188 | 188 | 0 | 188 | 172 | 6/30/2025 |
| 3622E8AC9 | 29 | 29 | 0 | 29 | 26 | 6/30/2025 |
| 36244SAC2 | 103 | 97 | 6 | 97 | 90 | 6/30/2025 |
| 36244SAF5 | 95 | 89 | 6 | 89 | 85 | 6/30/2025 |
| 61749EAD9 | 53 | 53 | 0 | 53 | 47 | 6/30/2025 |
| 61749EAE7 | 26 | 26 | 0 | 26 | 24 | 6/30/2025 |
| 61749EAH0 | 81 | 80 | 0 | 80 | 71 | 6/30/2025 |
| 61750YAB5 | 50 | 47 | 3 | 47 | 50 | 6/30/2025 |
| 61750YAE9 | 26 | 25 | 0 | 25 | 25 | 6/30/2025 |
| 61750YAJ8 | 74 | 73 | 1 | 73 | 71 | 6/30/2025 |
| 61751DAE4 | 29 | 28 | 1 | 28 | 25 | 6/30/2025 |
| 75970HAD2 | 11 | 11 | 0 | 11 | 11 | 6/30/2025 |
| 76110VSU3 | 0 | 0 | 0 | 0 | 0 | 6/30/2025 |
| 059469AF3 | 63 | 62 | 1 | 62 | 58 | 3/31/2025 |
| 1248MBAL9 | 96 | 95 | 1 | 95 | 85 | 3/31/2025 |
| 12627HAK6 | 58 | 56 | 1 | 56 | 52 | 3/31/2025 |
| 3622MPAT5 | 12 | 12 | 0 | 12 | 11 | 3/31/2025 |
| 61750YAE9 | 26 | 26 | 0 | 26 | 26 | 3/31/2025 |
| 61750YAJ8 | 75 | 75 | 0 | 75 | 73 | 3/31/2025 |
| 61751DAE4 | 30 | 30 | 0 | 30 | 27 | 3/31/2025 |
| 76110VSU3 | 0 | 0 | 0 | 0 | 0 | 3/31/2025 |
| Subtotal - Guaranteed Separate Accounts | XXX | XXX \$ | 296 | XXX | XXX | |
| Grand Total | XXX | XXX \$ | 9,862 | XXX | XXX | |

⁽¹⁾Only the impaired lots within each CUSIP are included within this table.

⁽²⁾CUSIP amounts less than \$1 thousand within this table are shown as zero.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

NOTE 21 - SUBSEQUENT EVENTS

At February 27, 2026, the date the financial statements were available to be issued, there have been no events occurring subsequent to the close of the Company's books or accounts for the accompanying statutory financial statements that would have a material effect on the financial condition of the Company.

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS

GLOSSARY OF TERMS

| Term | Description |
|--------------------|--|
| ABS | Asset-backed securities |
| AG 43 | Actuarial Guideline 43 CARVM for variable annuities |
| AVR | Asset valuation reserve |
| BACV | Book adjusted carrying value |
| CARES Act | Coronavirus Aid, Relief, and Economic Security Act |
| CAMT | Corporate Alternative Minimum Tax |
| CARVM | Commissioners' Annuity Reserve Valuation Method |
| COLI | Corporate owned life insurance |
| CRVM | Commissioners' Reserve Valuation Method |
| CSAs | Credit support annexes |
| DTA(s) | Deferred tax asset(s) |
| DTL(s) | Deferred tax liability(ies) |
| ETFs | Exchange traded funds |
| EXIM | Export-Import Bank |
| FHLB | Federal Home Loan Bank |
| GMAB | Guaranteed minimum accumulation benefit |
| GMDB | Guaranteed minimum death benefit |
| IMR | Interest maintenance reserve |
| INT | Interpretation adopted by the NAIC |
| IRA | The Inflation Reduction Act of 2022 |
| IRS | Internal Revenue Service |
| LIHTC | Low-income housing tax credit |
| LINA | Life Insurance Company of North America |
| LOCOM | Lower of cost or market |
| LTV | Loan to value ratio |
| MBS | Mortgage-backed securities |
| MCF | Madison Capital Funding LLC |
| MCF Note Agreement | New York Life note funding agreement with MCF |
| NAIC | National Association of Insurance Commissioners |
| NAIC SAP | National Association of Insurance Commissioners' Accounting Practices and Procedures |
| NAV | Net asset value |
| New York Life | New York Life Insurance Company |
| NMTC | New Market Tax Credit |
| NYLARC | New York Life Agents Reinsurance Company |
| NYLAZ | NYLIFE Insurance Company of Arizona |
| NYLCC | New York Life Capital Corporation |
| NYLGICNY | New York Life Group Insurance Company of NY |
| NYLIM | New York Life Investment Management LLC |
| NYL Investments | New York Life Investment Management Holdings LLC |
| NYSDFS | New York State Department of Financial Services |
| OAA | Other Admitted Assets |

**NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
NOTES TO STATUTORY FINANCIAL STATEMENTS**

GLOSSARY OF TERMS

| | |
|--------------------------|---|
| OBBA | One Big Beautiful Bill Act |
| OTC | Over-the-counter |
| OTC-bilateral | Over-the-counter bilateral agreements |
| OTC-cleared | Over-the-counter clearinghouse |
| OTTI | Other-than-temporary impairment(s) |
| PBBD | Principle-based bond definition |
| PBR | Principle-based reserving |
| SEC | U.S. Securities and Exchange Commission |
| SSAP | Statement of Statutory Accounting Principles |
| SVL | Standard Valuation Law |
| SVO | Securities Valuation Office |
| Taiwan Branch | NYLIAC's former branch operations in Taiwan |
| Taiwan Corporation | New York Life Insurance Taiwan Corporation |
| TDR | Troubled debt restructuring |
| The Commissioner | Delaware Insurance Commissioner |
| The Company | New York Life Insurance and Annuity Corporation |
| The Department | Delaware State Insurance Department |
| The Fund | The MainStay VP Funds Trust |
| U.S. GAAP | Accounting principles generally accepted in the United States of America |
| UL | Universal life |
| VA | Variable annuity |
| VM-21 | Valuation manual requirements for PBR for variable annuity products |
| VM-22 | Valuation manual requirements for maximum valuation interest rates for income annuities |
| VUL | Variable universal life |
| Yuanta | Yuanta Financials Holding Co., Ltd. |