Registered Number 202504712

L&G Reinsurance USA Limited Report and Accounts 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of L&G Reinsurance USA Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of L&G Reinsurance USA Limited ("the Company"), which comprise the statement of financial position as at December 31, 2025, the statements of comprehensive income, changes in equity and cash flows for the period then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Bermuda. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
April 17, 2026

Statement of Comprehensive Income

For the period ended 31 December 2025	Notes	2025 US$000's
Investment return		369
Insurance and investment result		369
Other expenses		(225)
Profit before tax		144
Tax (expense)/income	1(iv),3	(30)
Profit for the period		114
Total comprehensive income		114

Statement of Financial Position

As at 31 December 2025	Notes	2025 US$000's
Assets		
Cash and cash equivalents	1(iii),4	258,369
Total assets		258,369
Equity		
Share capital	5	258,000
Retained earnings		114
Total equity		258,114
Liabilities		
Current tax liabilities	3	30
Payables and other financial liabilities		225
Total liabilities		255
Total equity and liabilities		258,369

The Notes on pages 6 to 8 are an integral part of these financial statements.

The financial statements on pages 1 to 2 were approved by the Board of Directors on 14 April 2026 and were signed on their behalf by:

Signed by:
Shaw, Karl
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K Shaw
Chairperson

Signed by:
Alla Kleyner
7CD2A2B6CDEA428...

A Kleyner
Director

DocuSigned by:
Amy Ellison
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A Ellison
Director

Statement of Changes in Equity

For the period ended 31 December 2025	Notes	Share Capital US$000's	Retained earnings US$000's	Total equity US$000's
As at 1 January 2025		–	–	–
Profit for the period		–	114	114
Total Comprehensive Income for the period		–	114	114
Share issued	5	258,000	–	258,000
As at 31 December 2025		258,000	114	258,114

Statement of Cash Flows

For the period ended 31 December 2025	Notes	2025 US$000's
Cash flows from operating activities		
Profit for the period		**114**
Adjustments for non-cash movements in net profit for the period		
Interest income		**(369)**
Tax expense	3	**30**
Other liabilities		**225**
Cash generated from operations		**–**
Interest received		**369**
Net cash flows from operations		**369**
Net cash flows utilised in investing activities		**–**
Cash flows from financing activities		
Other cash flows from financing activities (Proceeds from share sale)		**258,000**
Net cash flows utilised in financing activities		**–**
Net increase in cash and cash equivalents		**258,369**
Cash and cash equivalents at 1 January		**–**
Total cash and cash equivalents at 31 December	1(iii),4	**258,369**

Notes to the financial statements

1. Summary of significant accounting policies

(i) Basis of preparation

The Company's financial statements have been prepared in accordance with international accounting standards, comprising International Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and related interpretations issued by the IFRS Interpretations Committee.

The Company has selected accounting policies which state fairly its financial position, financial performance and cash flows for a reporting period. The accounting policies have been consistently applied to all periods presented unless otherwise stated.

Financial assets and financial liabilities are disclosed gross in the Statement of Financial Position unless a legally enforceable right of offset exists and there is an intention to settle recognised amounts on a net basis. Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted by any accounting standard or International Financial Reporting Interpretations Committee (IFRIC) interpretation, as detailed in the applicable accounting policies of the Company.

(ii) Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position in the current economic environment are set out in this Company's financial statements, the financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in these financial statements.

The Board of Directors have made an assessment of the Company's going concern, considering both the current performance and the outlook for a period of at least, but not limited to, 12 months from the date of approval of these financial statements, using the information available up to the date of issue of these financial statements.

Having assessed the principal risks and uncertainties (both financial and operational) in light of the current economic environment the Board of Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for a period of, but not limited to, 12 months from the date of approval of the financial statements and therefore have considered it appropriate to adopt the going concern basis of accounting when preparing the financial statements.

(iii) New standards, interpretations and amendments to published standards that have been adopted by the Company

The Company has applied Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' for the first time in the period ending 31 December 2025, which did not have a material impact on its financial statements.

(iv) Standards, interpretations and amendments to published standards which are not yet effective

Annual Improvements to IFRS Accounting Standards—Volume 11

The IASB issued its annual improvements in July 2024, which include a collection of minor amendments to accounting standards, applicable for annual reporting periods beginning on or after 1 January 2026. These are not expected to give rise to a material impact on the Company's financial statements.

IFRS 18, 'Presentation and Disclosure in Financial Statements'

IFRS 18, issued in April 2024, will replace IAS 1, 'Presentation of Financial Statements'. IFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals, which aim at increasing comparability of the financial performance of similar entities, as well as provide more relevant information and transparency to users.

The standard is effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Company is currently assessing the impacts of the amendments on the Company's financial statements, in particular around the presentation of its results within the statement of comprehensive income and the definition and disclosure of management-defined performance measures.

(v) Critical accounting policies and the use of estimates

The preparation of the financial statements includes the use of estimates and assumptions which affect items reported in the Statement of Financial Position and Statement of Comprehensive Income and the disclosure of contingent assets and liabilities at the date of the financial statements. Although these estimates are based on management's best knowledge of current circumstances and future events and actions, material adjustments could be made to the carrying amounts of assets and liabilities within the next financial year. The Company Audit Committee reviews the reasonableness of judgements associated with, and the application of material accounting policies.

(vi) Consideration of climate change

The Company recognises emerging risks from both climate change and the crisis with nature, and the interrelationship between our climate and the natural world. Climate change is the Company's most material sustainability issue, but the Company continues to develop its understanding of its impacts and dependencies on nature, concurrently with its consideration of the impacts from climate change.

At the current time, the Company does not consider climate risk to represent a significant area of judgement or of estimation uncertainty. As at 31 December 2025, no material impacts on the Company's financial position, nor on the valuation of assets or liabilities on the Statement of Financial Position as a result of climate change risk have been identified. In arriving at this determination, the Company has in particular taken into account the following area of judgement, which we consider to be that most exposed to the potential impact of climate change in the preparation of the financial statements:

1. Summary of significant accounting policies (continued)

Going concern and viability

In preparing the financial statements, the Board of Directors are required to assess the Company's ability to continue as a going concern, by taking into account all available information related to at least 12 months from the date of their approval. Climate-related matters have been considered as part of this assessment and have not been deemed to create material uncertainties as to their conclusions or to require specific disclosure.

(vii) Material accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, treasury bills and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

Tax

Current tax
Current tax comprises tax payable on current period profits, adjusted for non-tax deductible or non-taxable items, and any adjustments to tax payable in respect of previous periods. Current tax is recognised in the Statement of Comprehensive Income.

Use of estimates
Tax balances include the use of estimates and assumptions which affect items reported in the Statement of Financial Position and Statement of Comprehensive Income. Although these estimates are based on management's best knowledge of current circumstances and future events and actions, actual results may differ from those estimates.

For tax this includes the determination of assets and liabilities recognised in respect of uncertain tax positions and the estimation of future taxable income supporting deferred tax asset recognition.

2. Company information

The Company is a long-term Class E reinsurer under Bermuda's Insurance Act of 1978. The principal activity of the Company is the provision of life reinsurance solutions with Banner Life (US based insurer). The Company has long-term PRT business from the United States of America ('USA').

The Company was capitalised in 2025 with US$258m. L&G Reinsurance USA Holdings Limited is the direct parent and Legal & General Group Plc is the ultimate parent.

The Company is incorporated and domiciled in Bermuda and its registered office and principal place of business is 19 Par-la-Ville Road, Hamilton, HM 11, Bermuda. The Company is a tax resident in the USA.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in US Dollars ('US$'), which is the Company's functional currency.

3. Income tax

The Company has made an election under section 953(d) of the US Tax Code to be treated as a domestic corporation for U.S tax purposes. As such worldwide income is subject to U.S federal tax at 21%. During 2023, the Bermudian Government substantively enacted a 15% local corporate income tax ('CIT') with effect from 1 January 2025 for Bermuda Constituent Entities. The Company is in the scope of the Bermuda CIT regime on the basis that it is Bermuda incorporated. Under the Bermuda CIT regime, a 15% tax rate is applied to net taxable income less any tax credits. Credit is permitted for the current tax expense and deferred tax expense related to creditable foreign taxes – L&G Re USA will receive a credit for the US tax charge against the equivalent current tax liability arising in Bermuda. Therefore no current tax or deferred tax arises in respect of Bermuda CIT.

	2025 US$000's
Profit before income tax	144
Tax expense calculated at 21%	(30)
Effective tax rate[1]	**21 %**

[1] The effective tax rate is calculated by dividing the tax (expense)/income over profit before income tax.

4. Cash and cash equivalents

	2025 US$000's
Cash at bank and in hand	258,369
Total cash and cash equivalents	**258,369**

5. Share capital

	2025 Number of shares	2025 US$
Authorised share capital:		
Ordinary shares of US$1 each	**1,000,000,000**	**1,000,000,000**
Issued share capital:		
Fully paid ordinary shares of US$1 each	**258,000,000**	**258,000,000**

There is one class of ordinary shares. All shares issued carry equal voting rights. The holder of the Company's ordinary shares is entitled to receive dividends as declared and is entitled to one vote per share at shareholder meetings of the Company.

On 24 September 2025, 8,000,000 ordinary shares with a nominal value of US$1 were issued for total consideration of US$8,000,000, and on 15 December 2025, 250,000,000 ordinary shares with a nominal value of US$1 were issued for total consideration of $250,000,000.

6. Parent companies

The immediate parent company of L&G Reinsurance USA Limited is L&G Reinsurance USA Holdings Limited, a company incorporated in the United States of America. The ultimate holding company for both of those entities is Legal & General Group Plc. These accounts provide information about L&G Reinsurance USA Limited as an individual undertaking. Copies of the accounts of the ultimate holding company, Legal & General Group Plc, are available on the Legal & General Group Plc website at https://group.legalandgeneral.com/en/investors/results-reports-and-presentations.

7. Related party transactions

(i) Other expenses

For the period ended 31 December	2025 US$000's
Management charges due to L&G US Resources Limited	**225**
Total	**225**

8. Subsequent events

On 2 February 2026, the Group completed the disposal of its US insurance entity, including its subsidiary Banner Life, to Meiji Yasuda Life Insurance Company. As part of this transaction, 80% of Banner Life's PRT business has been reinsured into the Company. The premium received for the business was c.US$8bn.