



**Resolution Life US Re Ltd.**  
**Financial Statements**  
**December 31, 2023**

## Report of Independent Auditors

To the Board of Directors and Shareholders of  
Resolution Life US Re Ltd.

### Opinion

We have audited the financial statements of Resolution Life US Re Ltd. (the “Company”), which comprise the balance sheet as of December 31, 2023, and the related statements of operations and comprehensive income (loss), shareholder’s equity, and cash flows, for the period from December 11, 2023 to December 31, 2023, and the related notes to the financial statements (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the period from December 11, 2023 to December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for a period of one year after the date that the financial statements are issued.

### Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## Report of Independent Auditors (cont'd)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte Ltd.

April 30, 2024

**Resolution Life US Re Ltd.**  
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**Resolution Life US Re Ltd.**  
**Balance Sheet**  
**As at December 31, 2023**  
**(\$'s in thousands)**

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	<u>December 31, 2023</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 250
Other assets	-
<b>Total Assets</b>	<u>\$ 250</u>
<b>Liabilities and Equity</b>	
Accruals and other liabilities	\$ -
<b>Total Liabilities</b>	<u>\$ -</u>
<b>Shareholder's Equity</b>	
Common shares \$1.00 par value, 250,000 shares authorized, issued and outstanding	\$ 250
Additional paid in capital	-
<b>Total Shareholder's Equity</b>	<u>250</u>
<b>Total Liabilities and Shareholder's Equity</b>	<u>\$ 250</u>

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

**Resolution Life US Re Ltd.**  
**Statements of Operations and Other Comprehensive Income (Loss)**  
**For the Period December 11, to December 31, 2023**  
**(\$'s in thousands)**

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	<u>2023</u>
<b>Revenues</b>	
Net investment income	\$ -
Total revenues	<u>\$ -</u>
<b>Benefits and Expenses</b>	
Operating expenses	\$ -
Total benefits and expenses	<u>-</u>
<b>Net Income (Loss)</b>	<u>\$ -</u>
<b>Other Comprehensive Income (Loss)</b>	<u>\$ -</u>

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

**Resolution Life US Re Ltd.**  
**Statement of Shareholder's Equity**  
**For the Period December 11 to December 31, 2023**  
**(\$'s in thousands, except share value amounts)**

	Common Shares		Additional Paid- in Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Shareholder's Equity
	Shares	Amount				
Issuance of capital stock	250,000	250	-	-	-	250
Net income (loss)	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
<b>Balance, December 31, 2023</b>	<b>250,000</b>	<b>\$ 250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250</b>

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

**Resolution Life US Re Ltd.**  
**Statement of Cash Flows**  
**For the Period December 11 to December 31, 2023**  
**(\$'s in thousands)**

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	<u>2023</u>
<b>Cash flows from financing activities</b>	
Issuance of common stock	\$ 250
Capital Contributions	-
Common stock dividends paid	-
Net cash provided by (used in) financing activities	<u>250</u>
Net increase/(decrease) in cash, cash equivalents and restricted cash	<u>250</u>
<b>Cash, cash equivalents and restricted cash, beginning of year</b>	<u>\$ -</u>
<b>Cash, cash equivalents and restricted cash, end of year</b>	<u>\$ 250</u>



**Resolution Life US Re Ltd.**  
**Notes to the Financial Statements**  
**(\$'s in thousands)**

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**1. General**

Resolution Life US Re Ltd. (the “Company”) was incorporated as a Bermuda exempt company on December 11, 2023, as a wholly-owned subsidiary of Resolution Re Finance (Bermuda) Ltd (“RLFB”). The Company is an indirect subsidiary of the ultimate parent, Blackstone ISG Investment Partners – R (BMU) L.P., a Bermuda based limited partnership.

The Company was established to provide reinsurance solutions to affiliated companies and is not expected to carry out reinsurance and other risk transfer solutions with third parties. It was registered as a Class C long-term insurer on December 28, 2023, under the Insurance Act 1978 of Bermuda.

***Basis of Presentation***

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

**2. Significant Accounting Policies**

***Cash and Cash Equivalents***

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

***Income Taxes***

The Bermuda Corporate Income Tax Act 2023 was enacted on December 29, 2023, where a 15% tax rate becomes effective from January 1, 2025. The Company is part of the Resolution Life group of Bermuda companies and is within the scope of this tax. The Company will continue to evaluate its tax positions and plan for the operational and financial impacts of the new corporate income tax regime.

**3. Commitments and Contingencies**

***Litigation***

The Company is not currently involved in any judicial, regulatory or arbitration proceedings. The Company also believes that at the present time there are no pending or threatened lawsuits that are reasonably likely to have a material adverse effect on the financial statements.

***Pledged or Restricted Assets***

The Company has no pledged or restricted cash and cash equivalents as of December 31, 2023.

**Resolution Life US Re Ltd.**  
**Notes to the Financial Statements**  
**(\$'s in thousands)**

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**4. Regulatory**

The Company is licensed by the Bermuda Monetary Authority (“BMA”) as a Class C long-term insurer and intends to carry-on long-term business consisting only of insuring the risks of other affiliates within the group. The Company is subject to the Insurance Act 1978, as amended (Bermuda Insurance Act) and regulations promulgated thereunder. In accordance with BMA regulations, the Company is required to submit three sets of financial statements:

- a. GAAP Financial Statements – financial statements prepared in accordance with an internationally recognized comprehensive base of accounting, and for which the Company has elected to prepare US GAAP financial statements. These financial statements form the basis for the preparation of both the Statutory Financial Statements (SFS) and the Economic Balance Sheet (EBS).
- b. Statutory Financial Statements – equivalent to the GAAP Financial Statements with certain prudential filters applied.
- c. Economic Balance Sheet – a balance sheet where assets are recorded based on GAAP fair values and insurance reserves are based on technical provisions, which comprises a best estimate liability plus a risk margin. The best estimate liability may be calculated by applying the standard approach or the scenario-based approach.

Under the Bermuda Insurance Act, long-term insurers shall, at all times in and during the course of each financial year it carries on “insurance business”, maintain statutory capital and surplus to meet the minimum margin of solvency (“MMS”) and minimum economic statutory capital and surplus to meet the Enhanced Capital Requirement (“ECR”). For Class C reinsurers, the MMS is equal to the greater of \$500,000 and 1.5% of total assets.

As of, and for the period ended, December 31, 2023, the Company did not carry on insurance business and was not required to meet the minimum regulatory requirements.

**5. Subsequent Events**

The Company has evaluated subsequent events for recognition or disclosure through to April 30, 2024, the date at which the financial statements were available to be issued. There were no significant subsequent events that required recognition or disclosure.