REPORT

TO

COMMISSIONER OF INSURANCE

CLERK OF THE SENATE

CLERK OF THE HOUSE OF REPRESENTATIVES

June 1, 2026

ANNUAL REPORT AND STATEMENT OF FINANCIAL CONDITION
Of the
LIFE INSURANCE COMMUNITY INVESTMENT INTIATIVE, LLC
As of December 31, 2025

This annual report and statement of the financial condition of the Life Insurance Community Investment Initiative, LLC (the "Company") for the year ended December 31, 2025 is presented by the Company in conformity with the requirements of Section 2(e) of Chapter 259 of the Acts and Resolves of 1998 (the "Act").

1. List of Participating Life Insurance Companies and the amount of capital contributed by each for the 2025 taxable year and in aggregate are attached as EXHBIT A.

2. Qualified Investments. The Company committed a total of $27,278,654.00 in qualified investments, as defined by Section 2(b), in the fiscal year ended December 31, 2025. The total net aggregate cumulative investments of the Company through December 31, 2025 was $774,459,287.63. A list of all qualified investments committed in the year ended December 31, 2025, including the value and the type of each is attached as EXHIBIT B.

3. Qualified Interim Investments. The amount of qualified interim investments at December 31, 2025, as defined by Section 2(b), was $0. The fund was fully committed to qualified investments during the year.

4. Regional Meetings. The records of the public meetings held in each MOBD Region are attached as EXHIBIT C.

5. Certified Financial Statements. The financial statements of the Company for its fiscal year ended December 31, 2025 as certified by the Company's independent certified public accountants are attached as EXHIBIT D.

6. Certificate Required by Section 2(e)(3). The certificate pertaining to investments made by the Company in the five original MOBD regions as well as the current MOBD regions in the Commonwealth is attached as EXHIBIT E.

Executed this first day of June 2026.
LIFE INSURANCE COMMUNITY INVESTMENT INITIATIVE, LLC.

BY ______________________
Kristen Harol
President

COMMONWEALTH OF MASSACHUSETTS
Suffolk. ss.

Then personally appeared the prior-named Kristen Harol. President of The Life Insurance Community Investment Initiative who did state that the information set forth in the foregoing Annual Report and Statement of Financial Condition is true and correct to the best of her knowledge information and belief.

Before me

Cara J. DeVito
Notary Public
COMMONWEALTH OF MASSACHUSETTS
My Commission Expires
June 1, 2029

____
Notary Public Cara DeVito
My commission expires 6-1-29

EXHIBIT A

TO

ANNUAL REPORT AND STATEMENT OF FINANICAL CONDITION OF THE LIFE INSURANCE COMMUNITY INVESTMENT INITIATIVE, LLC
As of December 31, 2025

Participating Life Insurance Company	2025 Capital Contributed or Returned	Aggregate Capital Contributed
1. John Hancock Life	$0	$45,090,286
2. Massachusetts Mutual Life	$0	$31,541,209
3. Paul Revere life Insurance	$0	$4,141,114
4. Paul Revere Variable Annuity	$0	$1,383,785
5. Savings Bank Life Insurance	$0	$9,404,316
6. Berkshire Life	$0	$2,464,406
7. Boston Mutual Life	$0	$1,735,829
8. New England Life	$0	$549,290
	$0	$96,310,235

EXHIBIT B

TO

ANNUAL REPORT AND STATEMENT OF FINANICAL CONDITION OF THE LIFE INSURANCE COMMUNITY INVESTMENT INITIATIVE, LLC
As of December 31, 2025

2025 Commitments

$27,278,654.00 in Qualified Investments
$27,028,654.00 in Net Commitments

Caribbean Integration Community Development (CICD), Boston *Impact Rating 8 (out of 10)*
$1,350,000 Acquisition Loan for the development of 61 units of affordable rental housing for low- and moderate-income households in the Roxbury neighborhood.

MassVIBE, Boston *Impact Rating 8*
$2,771,496 (50% participation with PCI) Construction Loan, for the development of 18 affordable homeownership units across 5 parcels in the City of Boston awarded to MassVIBE through the Welcome Home Boston program.

CC MPZ, Line of Credit, Cambridge *Impact Rating 8*
$750,000 Line of Credit to fund the predevelopment expenses of affordable housing construction projects.

Harborlight Community Partners, Ipswich *Impact Rating 8*
$2,385,000 Acquisition Loan for the development of approximately 52 units of affordable rental housing, and 964 SF of commercial space.

Esperanza Academy, Lawrence *Impact Rating 9*
$3,500,000 Construction Loan participation with Raza Development Fund and PCI for the development of a new 33,246 sf school facility, the permanent home of Esperanza Academy, and expand grade levels in this tuition-free, all-girls school to a K- 8th program with the capacity to serve 162 students.

Worcester Community Housing Resources (WCHR), Worcester *Impact Rating 9*
$300,000 predevelopment Line of Credit to support the development of an 8,800 SF family emergency shelter for 15 families.

Causeway Development, Lexington *Impact Rating 8*
$500,000 Predevelopment Line of Credit to develop 40 units of affordable housing in a High Opportunity Area.

Harborlight Community Partners, Lynn *Impact Rating 8*
$300,000 increase to an existing Acquisition Loan to support the development of 68 units of affordable, family, rental housing for households from 30% to 80% Area Median Income (AMI).

New Atlantic Development, LLC / DREAM Development, Boston *Impact Rating 8*
$250,000 increase to an existing Construction Loan supporting the development of 12 condo homeownership units, 8 of which are affordable, in the Roxbury neighborhood.

Volunteers of America of Massachusetts (VOAMASS), Malden *Impact Rating 9*
$1,800,000 Acquisition financing for the development of 12 units of supportive housing for veterans.

KZ Builders, Boston *Impact Rating 8*
$1,726,358 (50% participation with MHIC) Construction Loan, for the development of 12 mixed-income homeownership units across 5 parcels in the City of Boston awarded to KZ Builders through the Welcome Home Boston program.

Housing Corporation of Arlington, Arlington *Impact Rating 8*
$3,000,000 (50% participation with MHIC) Acquisition loan to support the preservation of 59 units of naturally occurring affordable housing (NOAH) in Arlington.

New Vision Enterprise, Ringside Properties LLC, Brockton *Impact Rating 8*
$634,725.00 increase to existing Bridge financing of Housing Development Incentive Program (HDIP) tax credits for the development of 46 rental apartments, 9 of which will be dedicated to workforce housing.

Asian Community Land Trust (ACDC), Boston *Impact Rating 9*
$1,198,575 Construction loan to support the development of a 110-unit, mixed-used development with affordable homeownership and rental condominium units, and a core space for the Boston Public Library in Chinatown.

The Neighborhood Developers (TND), Chelsea *Impact Rating 8*
$1,750,000 working capital Line of Credit to fund the predevelopment expenses of affordable housing in Chelsea and neighboring areas.

Beacon Communities Development, LLC, Newton *Impact Rating 8*
$3,562,500 Acquisition Loan for the development of 56 units of affordable rental housing with ground floor commercial space.

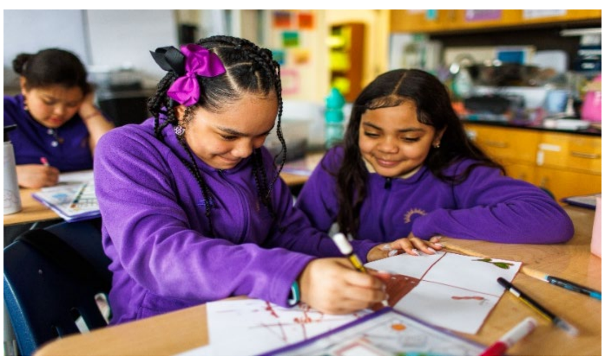
MPZ, Line of Credit, Springfield *Impact Rating 8*
$500,000 Line of Credit to fund the predevelopment expenses of affordable housing construction projects.

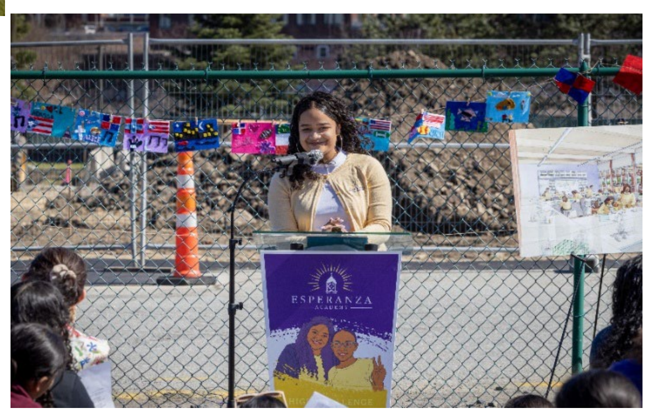
NeighborWorks Southern Mass (NWSOMA), Wareham and Brockton *Impact Rating 8*
$1,000,000 Line of Credit to fund predevelopment expenses in construction loan projects of approximately 95 units of affordable housing.

Esperanza Academy

Location: Lawrence
Purpose: Capital Campaign Bridge Financing
Amount: $3,500,000.00
Term: 36 Months
Rate: 7.25%
Impact Score: 9
Region: Metrowest & Merrimack Valley

Esperanza Academy, founded in 2006, is a tuition-free, all-girls independent middle school serving low income, predominantly (95%) Latino/Hispanic students in grades 5-8 in Lawrence. The school was created to address the lack of high-quality educational opportunities for young women. This Capital Campaign Bridge Loan of a New Markets Tax Credit Transaction to build a new 33,246 sq. ft. K-8 school facility as the permanent home of Esperanza Academy, increasing the school's capacity to serve 162 students, from the current 59.





FEATURED INVESTMENTS

Volunteers of America of Massachusetts

Location: Malden
Purpose: Acquisition Financing
Amount: $1,800,000
Term: 36 Months
Rate: 5.00%
Impact Score: 9
Regions: Northeast

VOAMASS is a nonprofit human services organization responding to the needs of senior veterans who struggle with housing insecurity and behavioral health challenges, housing insecurity; are unemployed or involved in the criminal legal system; or those who have mental health and/or substance use disorder diagnoses. VOAMASS was created in 1896 and has been operating for over 125 years. The $1,800,000 Acquisition financing for a 9,945 square foot parcel located at 105 Salem St., Malden, MA to be developed into a 4,280 square foot three story building with 12 studio units of low-income rental housing for veterans.

FEATURED INVESTMENTS

Asian Community Development Corporation (ACDC)

Location: Chinatown, Boston
Purpose: Construction Financing
Amount: $1,198,575.00
Term: 36 Months
Rate: 7.25%
Impact Score: 9
Region: Greater Boston

Since1987 ACDC has invested in Asian American and low-income communities by creating and preserving affordable and vibrant neighborhoods in Chinatown and Greater Boston. ACDC, a highly effective and mission driven organization, has been a TLI borrower since 2008. 55 Hudson St. is a mixed-use development in the Chinatown neighborhood of Boston to be built on a City-owned parcel that is currently used as a parking lot. The first floor and part of the second floor will be occupied by a permanent branch of the Boston Public Library, and the mixed-use building will include 66 affordable rental apartments and 44 affordable homeownership units. TLI's financing will help develop the 44 affordable condominium ownership units, all sold to households at or below 80% of Area Median Income.

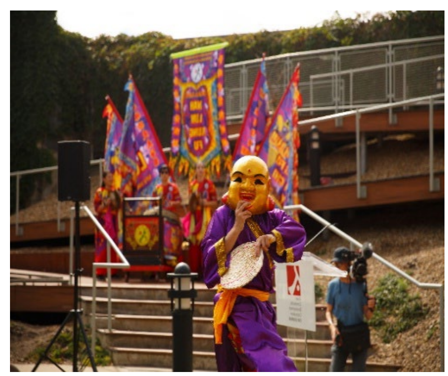


EXHIBIT C

TO

ANNUAL REPORT AND STATEMENT OF FINANICAL CONDITION OF THE LIFE INSURANCE COMMUNITY INVESTMENT INITIATIVE, LLC
As of December 31, 2025

Information regarding the annual meetings held in each of the MOBD regions.

REGION	DATE	PLACE REPRESENTED	HOST
Boston	7/22	Boston	JPNDC
Northern	6/5	Arlington	Housing Corp. of Arlington
Southern	10/25	New Bedford	Green Door Development
Central	5/5	Worcester	WCHR
Western	7/18	Ludlow	Wayfinders, Inc.
Metrowest & Merrimack Valley	5/29	Lawrence	Esperanza Academy

EXHIBIT D

CERTIFIED FINANCIAL STATEMENT

Of The

LIFE INSURANCE COMMUNITY INVESTMENT INITIATIVE
As of December 31, 2025

Life Insurance Community Investment Initiative LLC

Financial Statements

December 31, 2025 and 2024

Life Insurance Community Investment Initiative LLC
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December 31, 2025 and 2024

AAFCPAs
great minds | great hearts

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Westborough, MA 01581
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Independent Auditor's Report

To the Audit Committee and Members of
Life Insurance Community Investment Initiative LLC:

Opinion

We have audited the financial statements of Life Insurance Community Investment Initiative LLC (the Company), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Life Insurance Community Investment Initiative LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 audits. 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 within one year after the date the financial statements are available to be 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.

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.

AAFCPAs, Inc.

Boston, Massachusetts
May 26, 2026

Life Insurance Community Investment Initiative LLC
Balance Sheets
As of December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 11,787,765	$ 14,002,157
Prepaid expenses and other	32,087	33,811
Interest receivable on loans and other receivables	780,975	1,025,760
Subtotal	12,600,827	15,061,728
Current portion of loans receivable	44,259,115	29,689,604
Allowance for credit losses	(4,657,126)	(1,412,319)
Net current portion of loans receivable	39,601,989	28,277,285
Total current assets	52,202,816	43,339,013
Loans Receivable, net of current portion	50,955,786	63,619,998
Allowance for credit losses	(823,011)	(4,299,295)
Net loans receivable	50,132,775	59,320,703
Investments in Limited Partnership and Others	222,411	132,867
Total assets	$102,558,002	$102,792,583
Liabilities and Members' Equity		
Current Liability		
Accounts payable and accrued expenses	$ 962,922	$ 987,726
Credit Loss Liability - Unfunded Commitments	846,795	1,250,352
Total liabilities	1,809,717	2,238,078
Members' Equity		
Members' capital contributions	96,310,236	96,310,236
Retained earnings - distributable income	2,661,167	3,102,421
Restricted credit loss reserve	1,776,882	1,141,848
Total members' equity	100,748,285	100,554,505
Total liabilities and members' equity	$102,558,002	$102,792,583

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

Life Insurance Community Investment Initiative LLC
Statements of Operations
For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues		
Interest on loans	$ 5,525,722	$ 4,818,815
Investment income	356,140	679,652
Loan fees	248,498	290,259
Total operating revenues	6,130,360	5,788,726
Recovery of (provision for) credit losses - loans	(261,148)	22,908
Recovery of (provision for) credit losses - unfunded commitments	403,557	(154,631)
Net operating revenues	6,272,769	5,657,003
Operating Expenses		
Salaries, payroll taxes and fringe benefits	1,946,541	2,052,885
Operating expenses	666,666	361,012
Interest expense	239,389	-
Professional fees	78,741	84,281
Miscellaneous	45,231	57,072
Total operating expenses	2,976,568	2,555,250
Net income	$ 3,296,201	$ 3,101,753

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

Life Insurance Community Investment Initiative LLC

Statements of Changes in Members' Equity

For the Years Ended December 31, 2025 and 2024

	Members' Capital Contributions	Retained Earnings - Distributable Income	Restricted Credit Loss Reserve	Total
Balance, December 31, 2023	$ 96,310,236	$ 2,953,317	$ 1,141,848	$100,405,401
Net income	-	3,101,753	-	3,101,753
Distributions to members	-	(2,952,649)	-	(2,952,649)
Balance, December 31, 2024	96,310,236	3,102,421	1,141,848	100,554,505
Net income	-	2,661,167	635,034	3,296,201
Distributions to members	-	(3,102,421)	-	(3,102,421)
Balance, December 31, 2025	$ 96,310,236	$ 2,661,167	$ 1,776,882	$100,748,285

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

Life Insurance Community Investment Initiative LLC
Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Net income	$ 3,296,201	$ 3,101,753
Adjustments to reconcile net income to net cash provided by operating activities:		
(Recovery of) provision for credit losses - loans	261,148	(22,908)
(Recovery of) provision for credit losses - unfunded commitments	(403,557)	154,631
Interest and other amounts paid in-kind	(811,443)	(814,889)
Unrealized/realized (gain) loss on investments in limited partnerships and others	(89,544)	55,682
Changes in operating assets and liabilities		
Prepaid expenses and other	(1,045)	(14,926)
Interest receivable on loans and other receivables	244,785	(388,122)
Accounts payable and accrued expenses	(24,804)	324,022
Net cash provided by operating activities	2,471,741	2,395,243
Cash Flows from Investing Activities		
Issuance of loans receivable	(35,401,396)	(37,705,314)
Principal payments on loans receivable	33,814,915	37,204,561
Return of short-term investments	2,769	2,667
Net cash used in investing activities	(1,583,712)	(498,086)
Cash Flows from Financing Activities		
Distributions to members	(3,102,421)	(2,952,649)
Net Change in Cash and Cash Equivalents	(2,214,392)	(1,055,492)
Cash and Cash Equivalents:		
Beginning of year	14,002,157	15,057,649
End of year	11,787,765	14,002,157
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 239,389	$ -

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

1. Operations and Tax Status

Operations

Life Insurance Community Investment Initiative, LLC (the Company) was organized on December 30, 1998, as authorized by the Act Insuring Community Investment and the Equitable Taxation of Insurance Companies in Massachusetts, 1998 Massachusetts Acts, Chapter 259 (Chapter 259), in accordance with the provisions of the Massachusetts Limited Liability Company Act. The Company is a privately owned limited liability company engaged in the business of making investments in qualified Massachusetts community enterprises to the extent permitted by Chapter 259. The original term of the Company was twenty-five years from the date of organization and was set to expire on December 30, 2023, subject to earlier termination or extensions. The term of the Company has been extended to December 30, 2033 (see Note 9). The Company received initial cumulative contributions of capital from its members of $100,000,000, representing maximum contributions required under Chapter 259 from each of its participating members. During 2019, four of the Company's members representing approximately 4% of the members' equity, had elected to be liquidated and final distributions were completed in 2023. The cumulative contributions of capital was $96,310,236 as of December 31, 2025 and 2024.

Tax Status

The Company is a Massachusetts limited liability company and has elected to be treated as a partnership for income tax purposes. Items of income, loss, credits, or deductions arising from the Company are reported by the members on their respective income tax returns as allocated in accordance with the Operating Agreement. Accordingly, the accompanying financial statements do not reflect any provisions or credits for income taxes.

2. Significant Accounting Policies

Basis of Presentation

The Company prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents consist of checking, money market and savings accounts.

2. Significant Accounting Policies (Continued)

Loans and Interest Receivable and Allowance for Credit Losses

General

Loans receivable are stated net of loan participations qualifying as loan sales under ASC Topic 860, Accounting for Transfers and Servicing of Assets and Liabilities, and an allowance for credit losses (see Notes 3 and 4). Interest on loans is calculated by using the simple interest method on monthly balances of the principal amount outstanding.

The allowance for credit losses (ACL) represents an amount which, in management's judgment, reflects the lifetime expected losses that may be incurred on outstanding loans and unfunded commitments, at the balance sheet date based on the evaluation of the size and current risk characteristics of the loan portfolio, past events, current conditions, reasonable and supportable forecasts of future economic conditions, and prepayment experience utilizing both quantitative and qualitative assessments. The allowance is measured and recorded upon the initial recognition of a financial asset. The allowance is reduced by charge-offs (net of recoveries of previous losses) and is increased or decreased by a provision (recovery) for credit losses, which is recorded as a current period expense (revenue). Such allowance is based on credit losses over the loans initial expected term.

The Company made an accounting policy election at the time of adoption of ASC Topic 326, Measurement of Credit Losses on Financial Instruments (ASC Topic 326), to exclude interest receivable from the measurement of the ACL and follows a non-accrual policy to reverse any accrued, uncollected interest income as loans are moved to non-accrual status. The Company considers the length of time without payment from the borrower and other triggering events when determining that the loans should be moved to non-accrual status and no longer recognize interest revenue on the loan. Loans are generally considered delinquent when the borrower is late paying beyond the terms of their loan agreement and non-accrual status occurs after three months on non-payment, unless there is a clear plan or agreement to obtain payment.

Determination of the appropriateness of the ACL is inherently complex and requires the use of significant and highly subjective estimates. The reasonableness of the allowance is reviewed periodically by the management.

2. Significant Accounting Policies (Continued)

Loans and Interest Receivable and Allowance for Credit Losses (Continued)

Loans Under Snapshot/Open Pool Method

The Company's ACL process involves procedures to appropriately consider the unique risk characteristics of its financial assets. The Company determined the ACL using the snapshot/open pool method by pooling their loan portfolio into two main segments: Housing and Commercial and Economic Development (CED). These pooled segments were determined based on similar characteristics, contract terms, collateral types, types of associated industries, and business purpose of the loans.

Management reviewed the Company's loss history and determined one lookback period for both pools of loans. This lookback period aligns with the most accurate depiction of management's assessment of history of loss and available quality data information in their systems. The lookback period was determined to be fifteen years. A fifteen year period beginning in 2008 was used for 2024 analysis of the ACL, which was determined at the adoption of ASC Topic 326. During 2025, management determined a fifteen year period beginning in 2010 was more appropriate and representative of their loan portfolio for 2025 and future years.

Management also evaluated qualitative adjustment factors that increase the credit risk exposure of the Company upon originating a loan. Management monitors and assesses the qualitative factors (see Note 4) to determine if they continue to be the most predictive indicator of losses with the Company's loan portfolio and may adjust its assumptions to account for differences between expected and actual losses from period to period. The variability of management's assumptions could alter the ACL on loans and impact the future result of operations and financial condition. General qualitative factor characteristics include geographical market conditions, concentrations of credit risk, volume of lending and collateral consideration.

The reasonable and supportable forecast period represents a current economic outlook (as of December 31, 2025 and 2024) for the applicable economic variables for a period of one to two years. At the end of the reasonable and supportable forecast period, assumption variables start to revert to the historical loss rate of the loans. Management of the Company considers significant factors that could affect the expected future collectability of the amortized cost basis of the portfolio and determined that the primary factors are increased volume of lending and leverage, general geographic market conditions and concentration of credit risk.

Individually Assessed Loans

Loans that do not share risk characteristics of a pool are evaluated on an individual basis. Loans evaluated individually are also not included in the collective evaluation. When management determines that the borrower is experiencing financial difficulty or collateral value is at risk at the reporting date, management determines that expected credit losses should be based on a blended rate determined from a multitude of qualitative factors. There were nine and four loans evaluated on an individual basis as of December 31, 2025 and 2024, respectively (see Note 4).

2. Significant Accounting Policies (Continued)

Loans and Interest Receivable and Allowance for Credit Losses (Continued)

Below-Market Rate Loans

U.S. GAAP requires recording interest expense and contribution revenue in connection with loans payable that are interest free or that have below-market interest rates. Likewise, funds loaned to borrowers at below-market interest rates should also result in imputed revenue and contribution expense. Interest rates on loans receivable are disclosed in Note 3.

The Company believes that the benefits derived from below-market rate loans received are passed through to the borrowers via below-market rate loans made, and that there is no material difference between community development finance market rates and the stated rates of loans in its portfolios. Consequently, no adjustments have been made to the accompanying financial statements to reflect rate differentials.

Unfunded Commitments - Closed Loans

Unfunded loan commitments are reviewed to determine if they are considered unconditionally cancellable. The Company establishes reserves for unfunded commitments that do not meet that criteria and are for closed loans the Company is legally obligated to fund that are not fully drawn as a liability in the balance sheet (see Note 4). The allowance for credit losses for unfunded lending commitments is estimated using the same methodologies as portfolio loans, taking into consideration management's assumption of the likelihood that funding will occur.

Investment in Limited Partnership and Others

Investments in limited partnership consist of the Company's non-marketable interest in a local investment fund for which there is no readily determinable market value. The Company's interest in these investments is reported at the net asset value (NAV) reported by the investment fund managers, which is used as a practical expedient to estimate the fair value.

Dividends from this investment, which represent distributions of partnership earnings, if any, are recorded as investment income. Other distributions are recorded as return of capital and reduce investment cost. In the event of impairment, the investment is written down through an allowance for impairment to estimated net realizable value and the loss is charged to operations.

Investments in others include investments in marketable securities that are recorded in the financial statements at fair value. If an investment is directly held by the Company and an active market with quoted prices exist, the market price of the security is used to report fair value. Interest and dividends are recorded when earned. Gains and losses are recognized as incurred or based on fair value changes during the period (see Note 7).

2. Significant Accounting Policies (Continued)

Revenue Recognition

Revenues include interest on loans, cash and investments in debt securities, as well as loan fees and other. Loan fees are recognized on the accrual basis as services are delivered or according to relevant benchmarks or criteria of the underlying agreements. All other revenue is recognized as earned. All revenues are recognized as earned on the accrual basis of accounting. Premium or discount on debt securities and loans receivable is amortized over the remaining term to maturity, using the straight-line method which approximates the effective yield method.

Advertising Costs

The Company expenses advertising costs as they are incurred. Advertising expense for 2025 and 2024, was $5,142 and $10,997, respectively, and is included in professional fees in the accompanying statements of operations.

Fair Value Measurements

The Company follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements,* for qualifying assets and liabilities. Fair value is defined as the price that the Company would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

The Company uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Company. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

2. Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

The only assets held by the Company that are carried at fair value are cash equivalents in the form of money market accounts, short-term investments and Investments in others. Investments in limited partnership are reported at NAV (see Note 7). Cash equivalents are considered Level 1 in the fair value hierarchy. The Company held $7,725,948 and $10,710,568 in money market accounts as of December 31, 2025 and 2024, respectively, which is included in cash and cash equivalents in the accompanying balance sheets.

Restricted Credit Loss Reserve

The Company maintains a restricted credit loss reserve within Members' Equity, representing appropriated, undistributed earnings. This reserve is intended to provide an additional layer of protection to Members against credit losses that exceed amounts recorded in the ACL. The reserve does not represent a liability and is not included in the measurement of the ACL.

The adequacy of the reserve is evaluated at least annually by the Executive Committee, taking into consideration portfolio performance, credit risk trends, and economic conditions. Adjustments to the reserve are made at the discretion of the Executive Committee through appropriations or releases of retained earnings.

Subsequent Events

Subsequent events have been evaluated through May 26, 2026, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

3. Loans Receivable

The Company offers the following loan products:

Housing - Made to organizations that increase the availability of housing to low and moderate-income households. These loans are generally used to acquire or develop residential real properties. Housing loans receivable bear interest at rates ranging from 3.25% to 9.50% and mature at various dates through 2037. Principal balances range from $6,281 to $4,049,972. More than half of these loans are secured by mortgages on the properties and borrowers are required to adhere to certain affordability restrictions. The Company's five largest outstanding housing loans receivable were approximately 20% and 31% of the housing portfolio as of December 31, 2025 and 2024, respectively.

3. Loans Receivable (Continued)

Commercial and Economic Development (CED) - Made to support the development and/or expansion of minority or women-owned businesses, small businesses, job creation activities, and community health centers, within low and moderate-income areas that result in job creation or retainage in Massachusetts. The Company also provides financing to small and mid-sized companies with an emphasis on companies relocating to Massachusetts and creating jobs for residents in economic target areas. The CED loans receivable bear interest at rates ranging from 4% to 7.75% and mature at various dates through 2036. Principal balances range from $40,200 to $3,539,465. These loans are generally secured by the borrowers' business assets. The Company's five largest outstanding CED loans receivable were approximately 64% and 66% of the CED portfolio as of December 31, 2025 and 2024, respectively.

Individually Assessed - Loans that no longer fall into the categories of housing or CED due to various factors, specifically declining collateral value. As of December 31, 2025 and 2024, there were nine and four loans, respectively, in this category bearing interest at rates ranging from 6% to 7% and maturing at various dates through 2028. Principal balances range from $82,322 to $3,703,406.

Loans receivable, net of participations, consist of the following at December 31:

Description	Number of Loans 2025	Outstanding Principal 2025	Number of Loans 2024	Outstanding Principal 2024
Housing	47	58,850,180	54	67,384,743
CED	18	24,974,554	19	19,689,480
Individually Assessed Loans (see page 15)	9	11,390,167	4	6,235,379
Gross Loans Receivable	74	95,214,901	77	93,309,602
Less Allowance for credit Losses (see Note 4)		(5,480,137)	-	(5,711,614)
Less current portion, net of ACL		(39,601,989)	-	(28,277,285)
Net Loans Receivable		50,132,775	-	59,320,703

As of December 31, 2025 and 2024, total participation loans outstanding were $20,626,032 and $10,816,087, respectively. Given the lack of repurchase rights reserved by the Company with respect to the third-party's interest in the underlying loans receivable, the participations meet the requirements for treatment as a loan sale in accordance with the U.S. GAAP criteria for ASC Topic, *Accounting for Transfers and Servicing of Assets and Liabilities*. Accordingly, loans receivable are presented net of participations in the accompanying balance sheets.

3. Loans Receivable (Continued)

The Company determines delinquent status based on the contractual payment terms as of the reporting date. A loan is considered delinquent when scheduled principal and/or interest payments are more than 30 days past due. Loans with formally approved deferrals of principal and/or interest or maturity extensions are not considered past due.

Delinquencies were as follows as of December 31, 2025 and 2024:

	2025	2024
31 - 60 days	$ 848	$ 15,945
61 - 90 days	19,688	46,327
Greater than 90 days	100,364	31,893
Total past due	120,900	94,165
Current	95,094,001	93,215,437
	$ 95,214,901	$ 93,309,602

As of December 31, 2025, the Company had seven delinquent loans, of which three were on non-accrual status totaling $4,035,728. As of December 31, 2024, the Company had six delinquent loans, of which two were on non-accrual status totaling $782,322. One loan on non-accrual status as of December 31, 2024 was partially repaid and written off during 2025. Of the delinquent loans, four and three loans as of December 31, 2025 and 2024, respectively, were evaluated on an individual basis in regard to the allowance for credit losses (see Note 4).

Future payments of principal of loans receivable for the next five years are as follows:

2026	$ 44,259,115
2027	$ 18,517,730
2028	$ 19,761,291
2029	$ 776,186
2030	$ 4,130,525

4. Allowance for Credit Losses

As disclosed in Note 2, the Company follows ASC Topic 326 to estimate the ACL. Loans are evaluated within a collective pool basis for similar loan types, given the unique nature of each loan. Management believes that calculating the allowance for credit losses on these collective pools provides the most estimate for potential credit losses over the lifetime of the loans. Any historical losses at the collective pool level are the basis of the ACL determination which then is driven by additional qualitative factors as noted in Note 2.

4. Allowance for Credit Losses (Continued)

The Company's historical loss rates for each pool and their respective look back periods (see Note 2) applied to the amortized cost basis of loans receivable are as follows below as of December 31, 2025 and 2024. These historical rates were also adjusted for management's determination of qualitative adjustment factors.

	2025		2024	
	Housing	**CED**	**Housing**	**CED**
Historical Loss Rate (%)	0.24	0.40	3.47	4.47
Qualitative factor adjustment (%)	0.54	0.54	0.23	0.23
Total loss rate (%)	0.78	0.94	3.70	4.70

The Company monitors credit quality indicators on an on-going basis to determine if any of their loans need to be evaluated separately. Once collection from traditional methods is deemed unlikely, each asset is assessed individually under the practical expedient for collateral dependent financial assets. The credit quality indicators assessed by management include security of the loan and collateral coverage.

As of December 31, 2025 and 2024, there were nine and four loans with collective balances totaling $11,390,167 and $6,235,379, respectively, that were evaluated on an individual basis. These consist of three housing loans and six commercial loans on office buildings with high vacancies and declining collateral value. These loans were assigned an allowance for credit losses amount based on the original loan pool they were in and certain qualitative factors ranging from 20% - 70%, in order to correctly present these loans at the value that the Company anticipates that they will recover. The Company will continue to assess the need for additional allowance for credit losses related to these collateral dependent financial assets. During 2025, the Company received a repayment of $207,375 against one of the individually assessed loans and subsequently wrote off the remaining $492,625 balance, of which $350,000 was covered by the allowance for credit losses.

4. Allowance for Credit Losses (Continued)

A summary of the activity within the allowance for credit losses is as follows for the years ended December 31, 2025 and 2024:

	Housing	CED	Individually Assessed	Total
Allowance at December 31, 2023	$ 2,139,120	$ 1,310,881	$ 2,284,521	$ 5,734,522
(Recovery of) Provision for Credit Losses	345,966	(386,057)	17,183	(22,908)
Allowance at December 31, 2024	2,485,086	924,824	2,301,704	5,711,614
(Recovery of) Provision for credit losses	(2,027,897)	(690,545)	2,979,590	261,148
Write off of loans receivable			(492,625)	(492,625)
Allowance at December 31, 2025	$ 457,189	$ 234,279	$ 4,788,669	$ 5,480,137

At December 31, 2025 and 2024, the Company was committed to fund loans receivable of approximately $30,401,000 and $33,530,000, respectively. Among the tools available to manage liquidity are participation loans and the line of credit (see Note 5). In accordance with ASC Topic 326, the Company has recorded a credit loss liability for unfunded loan commitments (see Note 3) based on the same loss rate used on the loan portfolio as noted on page 15, which are summarized below:

Credit loss liability - unfunded commitments, December 31, 2023	$ 1,095,721
Provision for credit losses - unfunded commitments	154,631
Credit loss liability - unfunded commitments, December 31, 2024	1,250,352
Recovery of credit losses - unfunded commitments	(403,557)
Credit loss liability - unfunded commitments, December 31, 2025	$ 846,795

5. Line of Credit

The Company maintains a $15,000,000 revolving line of credit agreement with a bank, renewable annually in June. The interest rate is based on the Federal Home Loan Bank's 1-year rate of 4.25% and 4.32% at December 31, 2025 and 2024, respectively, plus 1.75%. During 2025, the Company drew down $10,000,000 on the line of credit and later repaid it in full. There was no outstanding balance under this line of credit at December 31, 2025 and 2024. Interest expense for the year ended December 31, 2025 was $239,389. The line of credit is secured by substantially all assets of the Company and has certain covenants. with which the Company must comply. The Company was in compliance with these covenants as of December 31, 2025 and 2024.

6. Management Agreement

Massachusetts Capital Resource Company (MCRC) provides management and administrative services to the Company, the cost of which is charged to the Company. Salaries and other benefits, including both a defined benefit and defined contribution pension plan for employees of MCRC who work solely on the Company's activities, are charged directly to the Company. Other expenses, such as rent and overhead costs, are allocated between MCRC and the Company based on relative levels of capital. This expense allocation method, which is in accordance with the Operating Agreement, has been approved by the Audit Committees of both the Company and MCRC.

The amount of expense recognized by the Company related to these management and administrative services provided by MCRC during 2025 and 2024, was $2,383,405 and $2,378,918, respectively. The amount payable to MCRC for management fees and other reimbursable expenses at December 31, 2025 and 2024, was $20,636 and $165,463, respectively, and is included in accounts payable and accrued expenses in the accompanying balance sheets.

7. Investments In Limited Partnership And Others

Investment in limited partnership (see Note 2) represents a non-controlling interest in one limited partnership, which meets the requirement of a qualified investment in accordance with Chapter 259 of the Massachusetts Acts of 1988. The investments are measured at fair value using the NAV per share. The Company's investment represents less than 20% limited partner interest, and the Company does not exercise control or significant influence over the partnership. Investments in others include shares of common stock.

The balance of investments in limited partnership and others was as follows:

	2025	2024
Beginning Balance	$ 100,841	$ 148,839
Gain (loss) on investment in limited partnership	72,449	(47,998)
Ending Balance	173,290	100,841
Investments in others	49,121	32,026
Net investments in limited partnership and others	$ 222,411	$ 132,867

The Company had an unrealized gain of $72,449 and an unrealized loss of $47,998 during 2025 and 2024, respectively, which is included in investment income in the accompanying statements of operations.

The Company did not receive any capital distributions during 2025 or 2024. The Company did not incur any realized gains or losses during 2025 and 2024.

7. Investments In Limited Partnership And Others (Continued)

The Company also holds shares of common stock in two organizations. The fair value of the common stock at December 31, 2025 and 2024, was $49,121 and $32,026, respectively, which is included in investments in limited partnership and others in the accompanying balance sheets. These shares of common stock are valued using Level 1 inputs. Unrealized gains (losses) related to these investments were $17,095 and $(7,684) for the years ended December 31, 2025 and 2024, respectively, and are included in investment income in the accompanying statements of operations.

8. Concentration of Credit Risk

The Company maintains its cash balances in three banks in Massachusetts and is insured within the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year, cash balances exceeded the insured amounts. The Company has not experienced any losses in such accounts and management believes the credit risk related to the Company's cash and cash equivalents is not significant. In relation to certain money market accounts, the Company's exposure for uninsured cash and cash equivalents was $7,725,948 and $10,710,568 as of December 31, 2025 and 2024, respectively. In order to minimize the credit risk for cash equivalents, management has invested the cash equivalents in highly-liquid money market accounts designed to maximize FDIC coverage.

9. Distributions To Members

The Company makes annual distributions equal to the cumulative retained earnings of the Company, less the net change in value of derivatives, pursuant to the Articles of the First Amended and Restated Operating Agreement dated September 15, 1999 (the Operating Agreement) and adjustments to the restricted credit loss reserve (see Note 2). Distributable income for the years ended December 31, 2025 and 2024, was $2,661,167 and $3,102,421, respectively. The 2024 and 2023 distributable income of $3,102,421 and $2,952,649 was declared and paid as distributions to members during 2025 and 2024, respectively.

EXHIBIT E

To

ANNUAL REPORT AND STATEMENT OF FINANCIAL CONDITION OF THE LIFE INSURANCE COMMUNITY INVESTMENT INITIATIVE, LLC
As of December 31, 2025

In accordance with Section 2(e)3 the investments made by the Life Insurance Community Investment Initiative LLC comply with the provision of paragraphs (I) and (2) of subsection (f). Each MOBD region has received at a minimum its base investment share amount as defined by the 1998 Legislation. The most recent MOBD regions are shown below.

Current MOBD regions, since 2017

Qualified Commitments as of 12/31/25		
Boston		$322,440,395.63
Northern		$88,784,250.00
Southern		$90,845,109.00
Central		$98,526,733.00
Western		$135,569,800.00
Metrowest & Merrimack Valley		$19,543,000.00
Statewide		$18,750,000.00
	Total	**$774,459,287.63**

Original MOBD regions

Qualified Commitments as of 12/31/25		
Boston		$333,182,420.63
North		$88,622,000.00
South		$100,058,334.00
Central		$98,276,733.00
West		$135,569,800.00
Statewide		$18,750,000.00
	Total	**$774,459,287.63**