

Pro-forma Impact of Certain Affiliated Reinsurance as of, and for, the Year Ended December 31, 2023

The following analysis presents information regarding the pro-forma notional attribution of capital and surplus, and income to Midland National Life (MNL) and North American Life & Health (NAC), as a result of certain funds withheld reinsurance arrangements with its Bermuda-domiciled reinsurance affiliate, SFG Bermuda Ltd. This information is provided for the single purpose of evaluating the financial position of MNL & NAC in connection with a particular rating agency and should not be, and is not intended to be, used for any other regulatory, investment, or other purpose. This information is not prepared on the basis of generally accepted accounting principles, statutory accounting principles in the United States or Bermuda, nor any other comprehensive basis of accounting. This information should be considered together with the statutory filings of Sammons Financial Group's insurance entities. In addition, the information presented below is unaudited.

Allocated Capital and Surplus on a Proportional Basis – Notional Allocation

The tables below include an allocation of statutory capital and surplus, pre-tax income and net income based on the following methodology:

-Any isolated capital is applied to the entity to which the capital relates to

-Surplus capital is allocated on a pro-rata basis based on total reserves (notwithstanding that some isolated capital may already be associated with some reserves)

-Income is allocated based off the allocation of capital above

(Unaudited, in thousands)

Financial Return	Midland National Life	North American L&H	Total SFG Bermuda Statutory Financial Return
Capital & Surplus	522,958	295,546	818,504
Pre-Tax Income (YTD)	68,488	38,706	107,194
Net Income (YTD)	53,879	30,450	84,329

Notional Attribution of Allocated Capital to Invested Assets

The below table further attributes the allocated capital and surplus to NAIC investment asset categories based on the proportional mix of the actual assets for SFG Bermuda.

(Unaudited, in thousands)

Financial Return	Midland National Life	North American L&H
Capital & Surplus	522,958	295,546
Pre-Tax Income (YTD)	68,488	38,706
Net Income (YTD)	53,879	30,450

(Unaudited, in thousands)

	Midland National Life	North American L&H
Asset mix:		
<u>Non-affiliated</u>		
Corporate Bonds	45,371	25,641
US Gov't, Agencies, Municipals, Foreign Gov't RMBS	17,313	9,784
CMBS	1,978	1,118
RMBS	12,932	7,309
Other ABS (including CLOs)	15,530	8,777
Mortgages & Real Estate	-	-
BA Assets	-	-
Unaffiliated Stocks	1,145	647
Total Non-affiliated	94,269	53,276
<u>Affiliated</u>		
Affiliated	-	-
Other ABS (including CLOs)	-	-
Mortgages & Real Estate	-	-
BA Assets	-	-
Affiliated Stocks	-	-
Total Affiliated	0	0
<u>Other</u>		
Cash & Cash Equivalents	592	334
Derivatives	-	-
All Other	-	-
Total Allocated Surplus	94,861	53,610

Bonds by NAIC Category:

NAIC 1	54,103	30,576
NAIC 2	37,891	21,414
Investment Grade	91,994	51,989
NAIC 3	554	313
NAIC 4	577	326
NAIC 5	-	-
NAIC 6	-	-
Below Investment Grade	1,131	639
Total Bonds	93,124	52,628

Bonds by ASC 820 Fair Value Level:

Level 1	-	-
Level 2	92,548	52,303
Level 3	576	326

Notional Allocation of Investment Income to Surplus Account

The below table shows a notional allocation of certain income items to affiliated reinsurance counterparties proportionately based on reserves.

(Unaudited, in thousands)

Net Investment Income

	Midland National Life	North American L&H
Bonds	4,639	2,621
Preferred stocks	125	70
Cash & Cash Equivalents	190	108
Gross	4,954	2,799
Expenses	(80)	(45)
Total	4,874	2,754

Capital Gains and (Losses)

Bonds	(1,041)	(589)
Mortgages and Other Loans	(114)	(65)
Equity Derivatives	-	-
Total	(1,156)	(653)