

Pro-forma Impact of Certain Affiliated Reinsurance as of, and for, the Quarter Ended December 31, 2025

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 (not withstanding 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	607,637	572,826	1,180,463
Pre-Tax Income (YTD)	26,640	25,114	51,753
Net Income (YTD)	21,271	20,053	41,324

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)

	Midland National Life	North American L&H
Asset mix:		
<u>Non-affiliated</u>		
Corporate Bonds	228,888	215,775
US Gov't, Agencies, Municipals, Foreign Gov't RMBS	37,372	35,231
CMBS	1,666	1,570
RMBS	30,032	28,311
Other ABS (including CLOs)	35,900	33,844
Mortgages & Real Estate	-	-
BA Assets	-	-
Unaffiliated Stocks	1,003	946
Total Non-affiliated	334,860	315,676
<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	60,717	57,239
Derivatives	-	-
All Other	-	-
Total Allocated Surplus	395,577	372,915

Bonds by NAIC Category:

NAIC 1	167,611	158,008
NAIC 2	163,905	154,515
Investment Grade	331,516	312,524
NAIC 3	1,860	1,753
NAIC 4	481	454
NAIC 5	-	-
NAIC 6	-	-
Below Investment Grade	2,341	2,207
Total Bonds	333,857	314,731

Bonds by ASC 820 Fair Value Level:

Level 1	-	-
Level 2	333,172	314,085
Level 3	685	646

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)

	Midland National Life	North American L&H
Net Investment Income		
Bonds	14,397	13,572
Mortgages and Other Loans	-	-
Cash & Cash Equivalents	2,912	2,746
Gross	17,309	16,318
Expenses	(309)	(291)
Total	17,000	16,026
Capital Gains and (Losses)		
Bonds	(152)	(143)
Mortgages and Other Loans	-	-
Equity Derivatives	-	-
Total	(152)	(143)