

Balance Sheet

Sammons Financial Group, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets (Unaudited)

(\$ millions)

As of	Mar. 31, 2025	Dec. 31, 2024
ASSETS		
Investments		
Fixed maturities available-for-sale, at fair value (net of allowance for credit losses of \$136 and \$138, respectively); amortized cost; \$97,364 and \$96,764, respectively, (portion under fair value option: \$494 and \$495, respectively)	\$ 88,496	\$ 86,699
Fixed maturities, trading, at fair value	331	463
Equity securities, at fair value	947	917
Mortgage loans (net of allowance for credit losses of \$112 and \$108, respectively; includes \$10 and \$9, respectively, under the fair value option)	8,867	8,507
Policy loans	875	841
Short-term investments	5,772	4,103
Derivative instruments	2,058	3,304
Other invested assets (net of allowance for credit losses of \$1 and \$4, respectively; portion at fair value under fair value option; \$326 and \$321, respectively)	7,990	7,732
Total investments	115,336	112,566
Cash	1,926	1,562
Accrued investment income	984	912
Deferred acquisition costs and sales inducements	8,760	8,452
Market risk benefit asset	184	199
Other assets	1,257	1,408
Reinsurance receivables (net of allowance for credit losses of \$9 and \$9, respectively)	2,752	2,029
Deferred tax asset	1,759	1,892
Separate account assets	3,058	3,184
Total assets	\$ 136,016	\$ 132,204
LIABILITIES		
Policyholder account balances and benefit reserves	\$ 109,244	\$ 106,030
Notes and loans payable	2,804	2,810
Repurchase agreements, other borrowings & collateral on derivatives instruments	12,543	12,649
Derivative instruments	456	1,316
Other liabilities	3,832	2,888
Separate account liabilities	3,058	3,184
Total liabilities	131,937	128,877
Redeemable noncontrolling interests	143	143
STOCKHOLDER'S EQUITY		
Common stock and additional paid-in capital	1,829	1,829
Retained earnings	9,085	9,251
Accumulated other comprehensive income	(6,984)	(7,903)
Total stockholder's equity	3,930	3,177
Noncontrolling interest	6	7
Total liabilities and stockholder's equity	\$ 136,016	\$ 132,204

The Company adopted the US GAAP accounting standard related to Long Duration Targeted Improvements (LDTI) as of January 1, 2025 with a transition date of January 1, 2024. As a result, the 2024 financial information in this supplement has been updated to reflect the adoption of this standard.

Income Statement

Sammons Financial Group, Inc. and Subsidiaries

Condensed Consolidated Statements of Income *(Unaudited)*

(\$ millions)

	For the 3 Months Ended Mar. 31	
	2025	2024
REVENUES		
Premiums and policy charges	\$ 701	\$ 822
Net investment income	1,325	1,278
Net gains (losses) on derivatives	(75)	322
Net realized investment gains (losses)	39	44
Other income	50	51
Total revenue	2,040	2,517
BENEFITS AND EXPENSES		
Policyholder benefits	1,702	1,208
Amortization of deferred acquisition costs	167	140
General and administrative expenses	301	257
Total benefits and expenses	2,170	1,605
Income before income taxes	(130)	912
Income taxes	(50)	159
Net income	(80)	753
Net (gain) loss attributable to noncontrolling interest	1	1
Net income attributable to Sammons Financial Group	\$ (79)	754

These financial statements are furnished pursuant to the Available Information sections of the Offering Memorandum dated October 22, 2013 for \$200 million of 7.00% Senior Notes due 2043, the Offering Memorandum dated May 9, 2017 for \$500 million of 4.45% Senior Notes due 2027, the Offering Memorandum dated April 13, 2021 for \$850 million of 3.35% Senior Notes due 2031, the Offering Memorandum dated April 8, 2022 for \$500 million of 4.75% Senior Notes due 2032 and the Offering Memorandum dated March 28, 2024 for \$750 million of 6.875% Senior Notes due 2034- all issued by Sammons Financial Group, Inc.

The Company adopted the US GAAP accounting standard related to Long Duration Targeted Improvements (LDTI) as of January 1, 2025 with a transition date of January 1, 2024. As a result, the 2024 financial information in this supplement has been updated to reflect the adoption of this standard.

Adjusted Pre-tax Operating Earnings

Sammons Financial Group, Inc. and Subsidiaries

Reconciliation to Operating Income *(Unaudited)*

(\$ millions)

	For the 3 Months Ended Mar. 31	
	2025	2024
Income before income taxes	\$ (130)	\$ 912
Net (gain) loss attributable to noncontrolling interest	1	1
Pre-tax income attributable to Sammons Financial Group	(129)	913
Adjustments to income before income taxes to arrive at adjusted pre-tax operating earnings:		
Tax credits on qualified tax credit bonds included in operating income	14	19
Realized investment losses, net of offsets	18	16
Non-operating market risk benefit change	215	(205)
Unrealized (gains) losses on derivatives, trading securities, equity securities, and fair value option investments, net of offsets	108	(429)
Other non-operating expense	10	14
Adjusted pre-tax operating earnings	\$ 236	\$ 328

Adjusted pre-tax operating earnings is a non-GAAP measure of operations and is determined by adjusting income before income taxes (as determined in accordance with GAAP) to recognize the impact of certain tax credits as income and eliminate (a) net realized gains and losses on investments including allowances for credit losses, (b) unrealized gains and losses including fair value changes in derivatives, trading securities, equity securities with an investment objective to realize economic value through dividends and investments where the fair value option has been elected, (c) offsets to certain policy reserve balances related to realized gains and losses on investments and derivatives, (d) changes in contingent earn out liabilities related to acquisitions that management views as adjustments to purchase price, (e) certain ESOP incentive compensation expense related to a program launched in 2024 by the Company's parent company, Sammons Enterprises and (f) changes in market risk benefit reserves which are volatile including impacts from changes in interest rates and equity returns. These current period changes are deferred and then amortized back into income over the life of the market risk benefit. These items are not considered as core to our operations and management considers adjusted pre-tax operating earnings as a more accurate measure of performance. Adjusted pre-tax operating earnings is a non-GAAP measure and should not be considered as a replacement to income before income taxes and other earnings measures presented in accordance with GAAP.

The Company adopted the US GAAP accounting standard related to Long Duration Targeted Improvements (LDTI) as of January 1, 2025 with a transition date of January 1, 2024. As a result, the 2024 financial information in this supplement has been updated to reflect the adoption of this standard.

Statutory Information

Midland National Life and North American Company
Combined Statutory Financial Highlights *(Unaudited)*
(\$ millions)

As of	Mar. 31, 2025	Dec. 31, 2024
NET ADMITTED ASSETS		
Invested assets	\$ 117,420	\$ 115,064
Separate account assets	7,614	7,566
Other assets	4,587	4,521
Total net admitted assets	\$ 129,621	\$ 127,151
LIABILITIES, CAPITAL & SURPLUS		
Insurance reserves/liabilities	\$ 74,116	\$ 73,016
Separate account liabilities	7,148	7,110
Asset valuation reserve	1,390	1,390
Other liabilities	39,883	38,162
Total liabilities	122,537	119,678
Total capital and surplus	7,084	7,473
Total liabilities, capital and surplus	\$ 129,621	\$ 127,151
RISK BASED CAPITAL RATIO (TAC/CAL)	N/A	386%
TOTAL GROSS PREMIUMS WRITTEN		
Life	\$ 636	\$ 2,189
Annuity	\$ 3,899	\$ 15,366

Invested Assets Supplement

Sammons Financial Group, Inc. and Subsidiaries (SFG)

Total Invested Assets Unrealized Gain/(Loss) (*Unaudited*)

(\$ millions)

As of	March 31, 2025			December 31, 2024		
	Market Value	Book Value	Unrealized Gain/(Loss)	Market Value	Book Value	Unrealized Gain/(Loss)
INVESTED ASSETS						
U.S. government and agencies	\$ 9,537	\$ 10,535	\$ (998)	\$ 9,740	\$ 10,982	\$ (1,242)
Municipal securities	7,296	8,425	(1,129)	7,349	8,550	(1,201)
Corporate securities	45,715	51,291	(5,576)	44,410	50,604	(6,194)
Residential mortgage-backed securities	5,913	6,474	(561)	5,819	6,527	(708)
Commercial mortgage-backed securities	1,675	1,898	(223)	1,697	1,950	(253)
Asset backed securities	17,817	18,135	(318)	17,171	17,570	(399)
Other debt obligations	543	606	(63)	513	581	(68)
Total Fixed maturities, available-for-sale	\$ 88,496	\$ 97,364	\$ (8,868)	\$ 86,699	\$ 96,764	\$ (10,065)