

Balance Sheet

Sammons Financial Group, Inc. and Subsidiaries Condensed Consolidated Balance Sheets (Audited)

(\$ millions)

As of	Dec. 31, 2024	Dec. 31, 2023
ASSETS		
Investments		
Fixed maturities available-for-sale, at fair value (net of allowance for credit losses of \$138 and \$90, respectively); amortized cost; \$96,764 and \$92,043, respectively, (portion under fair value option: \$495 and \$840, respectively)	\$ 86,699	\$ 83,019
Fixed maturities, trading, at fair value	463	350
Equity securities, at fair value	917	1,232
Mortgage loans (net of allowance for credit losses of \$108 and \$24, respectively; includes \$9 and \$9, respectively, under the fair value option)	8,507	6,413
Policy loans	841	724
Short-term investments	4,103	2,318
Derivative instruments	3,304	3,072
Other invested assets (net of allowance for credit losses of \$4 and \$2, respectively; portion at fair value under fair value option; \$321 and \$126, respectively)	7,732	7,484
Total investments	112,566	104,612
Cash	1,562	1,269
Accrued investment income	912	882
Deferred acquisition costs and sales inducements	10,487	8,599
Other assets	1,426	1,291
Reinsurance receivables (net of allowance for credit losses of \$9 and \$10, respectively)	3,368	2,848
Deferred tax asset	1,410	1,424
Separate account assets	3,184	2,941
Total assets	\$ 134,915	\$ 123,866
LIABILITIES		
Policyholder account balances and benefit reserves	\$ 107,009	\$ 97,174
Notes and loans payable	2,810	2,036
Repurchase agreements, other borrowings & collateral on derivatives instruments	12,649	12,584
Derivative instruments	1,316	1,393
Other liabilities	2,838	2,920
Separate account liabilities	3,184	2,941
Total liabilities	129,806	119,048
Redeemable noncontrolling interests	143	142
STOCKHOLDER'S EQUITY		
Common stock and additional paid-in capital	1,829	1,813
Retained earnings	9,630	8,840
Accumulated other comprehensive income	(6,499)	(5,985)
Total stockholder's equity	4,960	4,668
Noncontrolling interest	6	8
Total liabilities and stockholder's equity	\$ 134,915	\$ 123,866

Income Statement

Sammons Financial Group, Inc. and Subsidiaries

Condensed Consolidated Statements of Income (Audited, except for quarter to date amounts)

(\$ millions)

	For the		For the	
	3 Months Ended		12 Months Ended	
	Dec. 31		Dec. 31	
	2024	2023	2024	2023
REVENUES				
Premiums and policy charges	\$ 582	\$ 565	\$ 2,893	\$ 2,101
Net investment income	1,687	979	5,795	3,850
Net gains (losses) on derivatives	(80)	(164)	258	(193)
Net realized investment gains (losses)	(470)	26	(496)	(448)
Other income	48	40	202	137
Total revenue	1,767	1,446	8,652	5,447
BENEFITS AND EXPENSES				
Policyholder benefits	1,529	1,012	5,700	3,690
Amortization of deferred acquisition costs	(55)	132	413	370
General and administrative expenses	294	251	1,104	914
Total benefits and expenses	1,768	1,395	7,217	4,974
Income before income taxes	(1)	51	1,435	473
Income taxes	(38)	(43)	179	(17)
Net income	37	94	1,256	490
Net (gain) loss attributable to noncontrolling interest	(1)	4	2	2
Net income attributable to Sammons Financial Group	\$ 36	98	\$ 1,258	\$ 492

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.

In 2023, the Company identified immaterial misstatements to prior period financial statements and elected to voluntarily revise those prior period amounts in the 2023 audited financial statements to enhance the comparability between periods. The Q4 2023 QTD net income of \$98 million reflects a decrease of \$5 million to what was originally reported in this package. The Q4 2023 YTD net income of \$492 million includes the revised adjustment.

Adjusted Pre-tax Operating Earnings

Sammons Financial Group, Inc. and Subsidiaries

Reconciliation to Operating Income (Unaudited)

(\$ millions)

	For the 3 Months Ended Dec. 31		For the 12 Months Ended Dec. 31	
	2024	2023	2024	2023
Income before income taxes	\$ (1)	\$ 51	\$ 1,435	\$ 473
Net (gain) loss attributable to noncontrolling interest	(1)	4	2	2
Pre-tax income attributable to Sammons Financial Group	(2)	55	1,437	475
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	20	64	78
Realized investment losses, net of offsets	218	69	330	597
Unrealized (gains) losses on derivatives, trading securities, equity securities, and fair value option investments, net of offsets	162	84	(237)	(37)
Assumptions / model refinements and unlocking	—	24	(198)	48
Other non-operating expense	9	—	25	—
Adjusted pre-tax operating earnings	\$ 401	\$ 252	\$ 1,421	\$ 1,161

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 (i) net realized gains and losses on investments including allowances for credit losses, (ii) 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, (iii) offsets to amortization of DAC, amortization of DSI and other policy reserves related to realized gains and losses on investments and derivatives, (iv) changes in contingent earn out liabilities related to acquisitions that management views as adjustments to purchase price and (v) certain ESOP incentive compensation expense related to a program launched in 2024 by the Company's parent company, Sammons Enterprises. Management views the additional ESOP incentive compensation expense as outside the Company's normal incentive compensation plans as the Company will be reimbursed by Sammons Enterprises. These items are not considered 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 taxes and other earnings measures presented in accordance with GAAP.

In 2023, the Company identified immaterial misstatements to prior period financial statements and elected to voluntarily revise those prior period amounts in the 2023 audited financial statements to enhance the comparability between periods. The 2023 QTD adjusted pre-tax operating earnings of \$252 million reflects an increase of \$46 million compared to what was originally reported in this package in Q4 of 2023.

Statutory Information

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

(\$ millions)

As of	Dec. 31, 2024	Dec. 31, 2023
NET ADMITTED ASSETS		
Invested assets	\$ 115,064	\$ 106,997
Separate account assets	7,566	6,655
Other assets	4,521	4,204
Total net admitted assets	\$ 127,151	\$ 117,856
LIABILITIES, CAPITAL & SURPLUS		
Insurance reserves/liabilities	\$ 73,016	\$ 69,814
Separate account liabilities	7,110	6,310
Asset valuation reserve	1,390	1,139
Other liabilities	38,162	33,653
Total liabilities	119,678	110,916
Total capital and surplus	7,473	6,940
Total liabilities, capital and surplus	\$ 127,151	\$ 117,856
RISK BASED CAPITAL RATIO (TAC/CAL)	386%	391%
TOTAL GROSS PREMIUMS WRITTEN		
Life	\$ 2,189	\$ 2,290
Annuity	\$ 15,366	\$ 9,294

Invested Assets Supplement

Sammons Financial Group, Inc. and Subsidiaries (SFG)

Total Invested Assets Unrealized Gain/(Loss) (Audited)

(\$ millions)

As of	December 31, 2024			December 31, 2023		
	Market Value	Book Value	Unrealized Gain/(Loss)	Market Value	Book Value	Unrealized Gain/(Loss)
INVESTED ASSETS						
U.S. government and agencies	\$ 9,740	\$ 10,982	\$ (1,242)	\$ 9,110	\$ 10,330	\$ (1,220)
Municipal securities	7,349	8,550	(1,201)	8,153	9,142	(989)
Corporate securities	44,410	50,604	(6,194)	43,360	48,401	(5,041)
Residential mortgage-backed securities	5,819	6,527	(708)	5,685	6,243	(558)
Commercial mortgage-backed securities	1,697	1,950	(253)	1,682	1,957	(275)
Asset backed securities	17,171	17,570	(399)	14,424	15,308	(884)
Other debt obligations	513	581	(68)	605	662	(57)
Total Fixed maturities, available-for-sale	\$ 86,699	\$ 96,764	\$ (10,065)	\$ 83,019	\$ 92,043	\$ (9,024)